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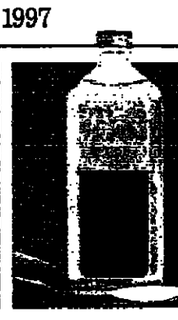
THE INDEPENDENT

Nº 3,189 THURSDAY 9 JANUARY 1997 WEATHER: Cold everywhere (IR45p) 40p

NEW YEAR: NEW YOU
DAY TWO
Working the room at parties



EDUCATION +
A case of oversubscription?
20-page pull-out packed with appointments

Can anyone bear the strain of being a manager today?

Howard Wilkinson, the FA's technical director and former Leeds manager, on the pressures that caused Keegan to quit Newcastle

Out of Toon: Kevin Keegan's gaunt expression betrayed the stress he felt as manager of Newcastle United

The last time I saw Kevin Keegan on television I thought he looked extremely ill. Compared with the day nearly five years ago when he became manager of Newcastle United, he appeared to have aged by at least 15 years.

It came as no surprise to me yesterday when he resigned. I have increasingly sensed in his eyes, in his expressions and in his voice the signals of the stresses he has started to feel.

Managers have always been under pressure to succeed – and always will be – but what is different today is the intensity of outside influences over which you have no control. While you have a direct influence on buying and selling players and coaching your team, there is nothing you can do about what reporters write, what television and radio commentators say, and what fans demand.

One of the great problems is the immediacy of it all. No sooner has the final whistle gone than you are asked to give your views on radio, television and in the press. Then there are the radio and television phone-ins, with fans giving their instant judgements.

I do not think I am alone in detecting a significant rise in the impatience and intolerance of many supporters. You see it in their faces on your way to games from your privileged position in the team bus. The banter has always been there, but certainly as recently as 10 years ago it was good-natured.

Today you are exposed to gestures and words of absolute hatred and vilification. I have seen parents mouthing obscenities in front of their own seven- and eight-year-old children that would cause any decent parent to switch off were it on radio or television.

My way of coping was to concentrate solely on those things over which I had control and blank my mind to all the matters over which I had no influence.

In our championship year at Leeds, for instance, I remember driving back from a reserve match whilst Manchester United were playing at West Ham in a game crucial to the title race. I turned the radio off. I could have listened to the match commentary, but to me there was no point. There was nothing I could do to influence the outcome and I knew that I would have to deal with whatever the consequences were the following day by working with my own players.

Perhaps it is an advantage to have been a player who lacked outstanding ability. As players, Kenny Dalglish and Kevin Keegan generally went from one success to another. Their ability was supreme. Failure was something they rarely encountered and had little experience of dealing with. In contrast, as I get older it seems to me that the most important abilities to develop are dealing with criticism and failure.

Both Kevin and Kenny were masters of control: they controlled the ball at all times and because of their ability generally managed to control not only their team but also the game. Control of your own destiny is largely the prerogative of the good player.

As a manager you quickly realise that the opposite is the case: that you must learn to cope with things very much out of your control.

Loneliness is a problem. You alone have to pick the team and are responsible for its performance. In your attempts to preserve a positive influence over your players you may frequently vent your frustration on those nearest and dearest.

There are measures we could take to alleviate these pressures, but I think you are either the sort of person who copes or you are not. It would help if we played fewer matches. Managers, like players, need time between games both to wind down and to get back up for the next match.

Being more specific about the role of the manager might also help. I am convinced that the manager's job at the bigger clubs should increasingly be about simply preparing the first team for matches. Other people must be given responsibility for signing players, negotiating contracts, and, where possible, dealing with the outside world.

Will it change? I do not think so. Money is pouring into the game more quickly than it can be dealt with. Given these rewards, the fear of failure intensifies to an illogical point. We should all remember that every time someone wins, someone else must lose.

Dalglish tipped

Kenny Dalglish, the former Liverpool and Blackburn Rovers manager, is expected to succeed Kevin Keegan as the manager of Newcastle. Keegan resigned yesterday, saying he had taken the club as far as he could. Pages 22 and 24

Blair backs away from 50p tax rate

Colin Brown
Chief Political Correspondent

Labour last night appeared to be moving away from a new 50p top rate of tax after Tony Blair launched Labour's election campaign with a promise to the voters that "there is nothing swept under the carpet or concealed" about Labour's tax and spending pledges.

Giving the strongest hint so far that he would ditch plans for a new top rate of tax, the Labour leader used the launch of a pre-election campaign document setting out Labour's five priorities on education, health, jobs, crime and the economy, to defuse the Tories' tax bombshell.

Mr Blair urged John Major, who yesterday flew to India, to stop "faffing about" by calling an early general election. "Let it happen. Let's get on with it. Stop all this waiting around."

Gordon Brown, the Shadow Chancellor, who wanted a 50p top rate for those earning over £100,000, is planning to set out Labour's tax plans in detail in a series of four speeches in the next few weeks.

It is expected that he will propose changes to thresholds, with more low paid being taken out of tax. Mr Brown will set out his plans on public expenditure on 20 January. He is unlikely to rule out any tax rises which might be necessary after the election, but it appears that Labour will be able to say, like the Tories in 1992, they have no plans to raise personal taxation.

Mr Blair has been keen to avoid Labour becoming vulnerable to a repeat of the Tory tax "bombshell" from the 1992 election. He has been surprised by the vehemence of some Shadow Cabinet colleagues who argued for the tax option to be left open. Some fear an incoming Labour government may find it inherits Tory spending figures that do not add up.

Senior Labour sources insisted that final decisions about the top rate had not been taken. But the Labour leader set the tone yesterday by launching a 20-page document, *Leading Britain into the Future*, giving a cast-iron pledge that Labour's key spending promises would be self-financed.

Flanked by Mr Brown, John Prescott, Robin Cook and Margaret Beckett, Mr Blair said: "The Tory case is if you go through our programme there are all these spending commitments and Labour is being evasive. No. There is not a single spending commitment here anywhere in our proposals that requires increases in personal taxes. So the whole Tory case is a lie."

The Labour leader added: "Nothing in this programme implies rising personal taxation. We can do it within existing spending limits. We can make a difference to education, health and welfare by a different choice of priorities."

Brushing aside the Tories presidential-style campaign around Mr Major, Mr Blair said: "I don't give a damn about any of that ... It's not about who runs the most presidential-style press conference. It's about what we can do for Britain."

He took a sideswipe at Mr Major's leadership. "In uncertain times, Britain cannot afford an uncertain Prime Minister. And Britain cannot afford as its Government a party incapable of being led."

In his foreword to the document, Mr Blair also rejected the Tory campaign about "new danger" by insisting that Labour had changed. "New Labour's mission is to build a coalition of support for the radical centre that addresses the future and is not stuck in the battles of the past, and can govern in the interests of the many not the few."

Although the language of "coalitions" may alarm Labour traditionalists, Mr Blair told the press conference that he was not negotiating a pact with the Liberal Democrats, with whom Labour has been consulting on a joint package of constitutional reforms. "I have no desire for pacts, deals, fixes or anything else," he said.

Donald Macintyre, page 15

A small price

Labour was believed to be planning a new top rate of 50p in the £ for those earning over £100,000 a year. This would have affected 120,000 taxpayers. Russ Stanfield, estate planning partner at Price Waterhouse, said: "A lot of practitioners would say that the difference in the total amount of tax paid by this particular group is fairly minimal." Those likely to have been hit by a 50p rate would have included opinion-formers and influential voices such as company directors, senior media figures, people in the City, top lawyers, and advertising executives.

QUICKLY

Yeltsin in hospital
Russian President Boris Yeltsin, 65, who had a quintuple heart by-pass two months ago, has gone into hospital after developing the first signs of pneumonia. Page 11

Branson may fly again
Richard Branson has not ruled out another attempt to fly around the world after he and two friends survived a terrifying descent when their balloon malfunctioned less than 24 after taking off. Page 5

Pregnancy makes your brain shrink

Liz Hunt
Health Editor

The brains of pregnant women appear to shrink during late pregnancy, according to research which offers an explanation for cognitive problems some women complain of before and after giving birth. The doctors at the Royal Postgraduate Medical School in London found that it can take up to six months for the women's brains to regain their full size.

Anita Holdcroft, the anaesthetist in charge of the study, said poor concentration, lack of co-ordination, and memory problems in late pregnancy may be linked to the changes in brain size she and her colleagues observed.

A set of three-dimensional images of the brains of 10 healthy women were taken, using magnetic resonance imaging (MRI) in late pregnancy, six to eight weeks after delivery, and then up to six months later.

According to a report in *New Scientist* magazine, Dr Holdcroft and colleagues found that as the woman's body and physiology returned to the non-pregnant state, their brains increased in size. It is possible that their brains were swelling from a normal state but this is unlikely, Dr Holdcroft told a meeting of the Physiological Society in Sheffield earlier this month.

The findings follow a study of women who suffer very high-blood pressure – pre-eclampsia – in which a build-up of fluid causes swelling; potentially fatal seizures can follow. "We assumed that their brains would also swell but last year we found that they shrink," Dr Holdcroft said. When the study was extended to healthy women, it was found that brain shrinkage appeared to be a normal feature of pregnancy.

The investigators believe that the brain changes are more likely to be the result of changes in the volume of individual cells rather than in the quantity of brain cells. Dr Holdcroft told the magazine. In addition, the team found that the pituitary gland, which lies at the base of the brain, showed the opposite effect – increasing in size during pregnancy, when it is responsible for producing reproductive hormones – and then diminishing in size in the months after pregnancy.

Leading article, page 13

Social work guru on abuse charge

Roger Dobson

David Divine, who was one of the leading figures in social work in Britain for more than a decade, has been arrested and charged by police investigating allegations of abuse at a children's home.

Mr Divine, aged 43, is one of three people arrested following allegations of physical abuse at a children's home in Edinburgh 20 years ago.

Mr Divine was one of the youngest heads of social services in the UK when he was appointed director of social services in the north-west London borough of Brent. He subsequently became the assistant director of the Central Council for the Education and Training of Social Workers which sets standards for social workers.

He has also advised Government committees on social work. He worked in Tower Hamlets and Hackney, east London, and made frequent appearances on TV in the late Seventies and Eighties. He was social services director in Brent at a time when same-race adoption became a prominent issue, particularly in London.

He was charged earlier this week by police following a lengthy investigation. The charges relate to alleged physical abuse at one of his first jobs in social services and relate to allegations of abuse at the Edinburgh children's home where, it is understood, he worked for 18 months before moving to London.

Detectives had already arrested two other men in connections with allegations of physical abuse. Police confirmed yesterday that a third person had been arrested but declined to identify him.

Mr Divine, who now works as an independent consultant and whose home is in Walthamstow, north-east London, was not available for comment yesterday.

The arrests by police in Edinburgh followed a major police investigation into allegations of abuse at the home. It is understood that more than 200 former residents of the home have been seen by a special team of 20 detectives set up to probe the allegations.

Detectives have been working for some months on the investigation and Mr Divine was charged earlier this week.

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news

Nurses to escape death claim Saudis

Steve Boggan

The two British nurses accused of murder in Saudi Arabia will not be beheaded even if found guilty of killing their colleague, Yvonne Gilford, according to senior Saudi officials.

Two Saudi diplomatic sources have separately told *The Independent* that Lucille McLauchlan, 31, and Deborah Parry, 41, are unlikely to be given the death penalty. Even if they were it would not be carried out while there was a chance that the victim's family could be persuaded to ask for mercy.

Under Saudi law, the victim's family may demand the death penalty or grant mercy, sometimes in return for "blood money" amounting to about £20,000. Miss Gilford's family in Australia have made it clear that they are in no mood to ask for mercy, but one Saudi diplomat told *The Independent*: "There are people on death row in Saudi who have been there for years while attempts are made to persuade the families of their victims to call for mercy. In this case, there would be no hurry. No-one wants to see these women executed." Both sources said independently that Saudi Arabia was in no hurry to provide a lurid side-show for the West.

Despite their anxiousness to be seen to be fair and merciful, Saudi officials say they are standing by their allegations against the nurses. Miss Gilford was found beaten, stabbed and smothered in her room at the King Fahd Military Medical Centre in Dhahran before Christmas. The Saudis allege that the British women subsequently withdrew money from her bank account.

It quickly emerged that Miss Parry and Miss McLauchlan had made confessions, although colleagues said they had been made under duress and they were later withdrawn.


Star turn: The actress Goldie Hawn opening the January sale yesterday at Harrods, London Photograph: Andrew Buurman

New charge over rail sale

Christian Wolmar
Westminster Correspondent

The rail privatisation process has again been hit by sleaze allegations after an in-house management buy-out team bidding for a rail franchise was found to have used inside information not available to its rivals.

Confidential documents from the Office of Passenger Rail Franchising, reveal that the team, Northstar Pennine Ltd, which is bidding for Regional Railways North East and seeking £1bn of public funds over the next seven years, used financial information in preparing their offer which was three months more recent than the figures supplied to the other bidders.

The Labour MP Hugh Bayley, has called for the franchising process to be re-run.

The revelations place a question mark over the role of management teams in the franchising process which is being carried through in great haste to ensure all 25 rail lines are in the private sector before the election.

Last year, one of the first franchises, LTS, was won by a management buy-out team which was then barred because of ticketing fraud.

So far, 18 franchises have been allocated and final bids from the three shortlisted companies for Regional Railways North East are due in today. The successful bidder will get around £1.05bn over the next seven years.

Minutes of a meeting held in late October and leaked to a regional BBC television series *Close Up North*, due to be shown tonight, says a passenger rail franchising official asked Northstar Pennine "why they had used Period 6 projections to prepare their bid documentation when this was not available to other bidders".

The information allowed the buy-out team to estimate that revenue in the final year before the franchise started would be £2m higher than projected. Mr Bayley, MP for York, where Regional Railways North East is based, said: "The management buy-out team used commercial information which, in a clear breach of the franchising rules, was not made available to other bidders."

Mr Bayley will be tabling an early day motion in the Commons on Monday.

A rival bidder, which did not reach the shortlisting stage even though it had asked for the least amount of subsidy, is now also asking for the bidding process to be re-opened and is considering legal action.

Ian Yeowart, head of the Grand Central team, said: "I had given up on this weeks ago and thought we had just lost out. But these documents suggest that the process was not carried out fairly."

Last night, the franchising office issued a statement saying that the franchising director had maintained "a level playing field for all bidders".

The management buy-out team bid had been "adjusted" to remove the use of the more up-to-date figures.

And he added: "The shortlist represents what the franchising director considers to be the best and most credible proposals for running the Regional Railways North East franchise."

Social work high-flyer who was darling of left


David Divine: Arrested

Roger Dobson

David Divine was one of the leading figures in social services at a time when the London boroughs were beset by allegations of "loony-left" obsessions with services for minority groups.

As director of social services in Brent, north-west London, he acquired a reputation as a champion of a number of causes and was at the forefront of the debate over same-race adoption, an issue which first emerged in the London boroughs.

He appeared on a number of television programmes and became to be seen as a leading figure in social services when it was going through a particularly controversial time.

A Christian and a family man, he was born in Scotland and one of his first care jobs was in Edinburgh. One former director of social services in England described him as a forceful, committed man. "He was in care himself and knew, from the inside as it were, the problems and issues involved with those in care. He was very energetic and keen. He was involved in key issues and did advise some influential committees."

After 18 months in Edinburgh, he moved south to London and worked in the East End boroughs of Hackney and Tower Hamlets before getting the job of social services director in Brent. "He came from nowhere to what was one of the most important jobs in social services," said the former director.

"He was always in the forefront and espousing various causes. He acquired a reputat. for committing himself to causes and was frequently used almost as a spokesman for the profession."

Mr Divine left Brent in the 1980s. He joined the Central Council for the Education and Training of Social Workers (CCETSW), the body which oversees and training and development of all practitioners in the UK ... which is influential in the development of the profession, which does not have a governing body like the General Medical Council.

He left CCETSW around four years ago and now works as an independent consultant and lives in Walthamstow, north-east London, with his family.

significant shorts

Independence of Rikki Neave report queried

The independence of a report out today on social services' handling of the Rikki Neave tragedy has been called into question.

Rikki, six, was found strangled to death near his home in Peterborough, Cambridgeshire, two years ago. His mother, Ruth Neave, 28, was found not guilty of his murder last October, but jailed for seven years for cruelty.

Joanne Kaye-Smith, senior regional officer for Unison, said the county council had commissioned the report from the consultancy The Bridge, and set the parameters. She said researchers did not interview any of the social workers involved and demanded "a full independent inquiry". Rikki's aunt, Sandra Chesney, said no member of the family had been involved.

A county council spokesman stressed the report was independent, and said: "There have been interviews with 17 present and former members of staff." *Glenda Cooper*

Malaria vaccine clears hurdles

The first ever experimental vaccine against malaria to provide a high degree of protection has been identified by scientists at SmithKline Beecham and the Walter Reed Army Institute of Research. In trials, six out of seven volunteers given the most advanced form of the vaccine remained free of infection. All of the non-vaccinated volunteers became infected.

The results described in the New England Journal of Medicine follow ... years of research ... the ... d looking for replacements for current drugs and scientists will now trial the vaccine in West Africa. *Clare Garner*

'Safe' sheep dip warning

River life is being decimated by new pesticides being used in sheep dips to replace chemicals involved in a health scare.

Up to half the sheep farmers in Britain are believed to have stopped using organophosphate dips over the past two years after fears about their effects on workers' health. But while the new synthetic pyrethroids are not harmful to humans, they are killing off thousands of invertebrates, such as mayflies and freshwater shrimps, a report in *New Scientist* magazine said.

It's not their sex that keeps women off work

Women tend to be absent from work more than men, but this has nothing to do with their gender, a conference on occupational psychology was told yesterday.

Penny Moyle, of Nuffield College, Oxford, told the British Psychological Society in Blackpool that a study of full-time staff at a major supermarket chain found senior personnel had better attendance records whatever their sex. Dr Moyle said women filled more junior positions and those more likely to involve legitimate absence – for example, staff on a delicatessen counter would not be expected to work if they had a cold for fear of contaminating food, while "a senior executive flying a desk at company headquarters" would be. *Barrie Clement*

Funding stays for refugees

Government grants to organisations helping refugees in Britain will remain "substantially the same" in the next financial year, the Home Secretary, Michael Howard, has decided. The disclosure was made by Timothy Kirkhope, Home Office minister in a letter to Tory backbencher Sir Julian Critchley who had expressed concern at reports last month that Mr Howard was to halve official funding to such groups.

Inquest on musician's son

A post-mortem examination to establish the cause of the death of the son of Shadows guitarist Hank Marvin has proved inconclusive so far, an inquest was told yesterday. The hearing into the death of Dean Marvin, 34, whose body was found last Monday at a YMCA hostel for the homeless in north London, was opened and adjourned.

Junk mail fills bins

Most consumer mail is a waste of paper, ink and effort because it is not targeted properly, a new survey has concluded. Families in one street in south-west London, thought 87 per cent of their mail shots and leaflet drops over four weeks was fit only for the bin. Just 13 per cent of 900 were of any interest, according Recognition Systems, which helps businesses identify potential customers.

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A nation stuck for words

Half of British adults lack literacy skills

Judith Judd
Education Editor

Almost half British adults lack the literacy skills needed to cope with modern life, an authoritative international survey to be published later this year will show.

The study by the Organisation for Economic Co-operation and Development (OECD) reveals that nearly 50 per cent of British 16-to -65-year-olds have difficulty understanding a bus timetable or following instructions about how to position a bicycle seat correctly.

Its findings come as both the Conservatives and Labour are preparing to put higher standards in literacy and numeracy at the heart of their election campaigns.

Yesterday, David Blunkett, shadow Secretary of State for Education, demanded the report be published before the general election so that the public could judge the Government's record. The Office for National Statistics is not due to release it until the summer – after the last possible date for an election.

More than 40,000 adults in 14 countries were tested in the survey. Results for the first seven countries were published two years ago and the survey of the rest, including England and Wales, Scotland and Northern Ireland, was carried out last year.

Participants were interviewed and given tasks to determine where they should be placed on a five-level scale which measures functional literacy. People at the lowest level – one – cannot even read the label on an aspirin bottle. People at level three cannot, for example, look at a bus timetable and say when the last bus for a particular destination leaves on Saturday night.

Experts say people need to reach level three to cope with the demands of everyday life in modern society but nearly 50 per cent of Britons failed to do so in the new survey. In the study of the first seven countries Sweden came top with only around a quarter of people unable to carry out level three tasks and the Netherlands came second with around 30 per cent. Germany was third with around 40 per cent. The figure for the US was just under 50 per cent.

Polish adults performed worst with 7 out of 10 unable to complete the level three tasks. France was so embarrassed by the results that it withdrew before the final report came out.

Details of the latest study are being finalised for the OECD by Statistics Canada which will work out the final ranking of the 14 countries during the next six weeks. Mr Blunkett said: "It is vital that voters get the chance to judge the Government's record on literacy and numeracy before the election.

"If these results are as bad as indicated, they are an appalling indictment of the Government's record on basic skills. Ministers should publish them without delay. I will be pressing them to do so in parliament next week."

Gillian Shephard, the Secretary of State for Education, last week promised an announcement later this month on new initiatives to improve young people's basic skills.

They don't need no education: Sue Atkins believes this attitude was common at her school Photograph: John Lawrence

'I could have done better but for school'

Judith Judd

Sue Atkins struggled for years with everyday tasks. She could not write a letter because she was unsure about the spelling and grammar.

Nor could she follow simple instructions. She once put a new bag in her vacuum cleaner and then covered the house in dust.

When cooking, instead of using recipes she flung all the ingredients in together. Mrs Atkins, now aged 41 with five children, blames her schooling.

"I was a victim of my education," she said. "I feel that my secondary school failed me. The children in class who did well were favoured by the teachers. Those of us who struggled more were just left to get on with it. We were left to help each other and often got it wrong. I left school with an immense lack of confidence."

Despite being ignored by her teachers, she said she always felt she could do better at school if only she had been given a chance. "I loved words and I tried to write poetry but could never think of the right works."

Her life changed two years ago when she at last plucked up the courage to attend a basic skills course at her local adult education centre.

"I explained to them that I was ever so old and that I didn't want to be rich or famous. I just wanted to be sure about simple things." She went from strength to strength and now teaches other adults who have failed to master basic skills.

Mrs Atkins attended a secondary modern school. She left at 15 to work as a general clerk in a solicitor's office where she answered the telephone and did filing. "At school I didn't even take any exams. Nobody suggested that I should. We were given no encouragement to get qualifications or to think about a career."

Nobody, she said, did anything to counter the culture in school that "if you worked you were a swat or a boffin. If you were a swat you weren't one of the girls for the boys."

Mrs Atkins said: "I remember one teacher who was very impersonal. He called us all by our surnames so that you didn't feel there was anything personal going on between you and the teacher."

Most teachers, she said, had low expectations of the less able pupils. "If you couldn't do it, they made you think it didn't matter.

"The trouble with the school was that they assumed we had learned all we needed to know about reading and writing, spelling and punctuation in our primary schools. In fact, many of us needed to have that knowledge reinforced."

She believes schools have improved but says that some of the young people whom she teaches have suffered because teachers have been too soft on them. "There is not enough discipline and not enough respect for teachers," she said.

Rats in the roof, freezing classes. Welcome to Britain's most dilapidated school

At the extreme: Pupils at Weeting primary, in Norfolk, who study in uninsulated mobile classrooms Photograph: Bryn Colton

Lucy Ward
Education Correspondent

Gillian Shephard will feel the heat when she visits a schoolhouse so cold pupils wear overcoats indoors

The village school is crumbling, the roof is rat-infested and during the winter the 110 pupils sit wrapped up in anoraks and overcoats.

There is nowhere for PE in the Victorian school and while the children freeze in the winter, temperatures in some classrooms soar to more than 100F in the summer.

Today the visiting local MP at Weeting primary school, near Thetford, in Norfolk, will be given a hard time by the school staff. The fact that the MP is Gillian Shephard, Secretary of State for Education, will add a certain piquancy to the occasion.

Mrs Shephard will face protests from staff at the school which is just a few miles from her home, as she tours classrooms so cold children as young as five are forced to study in coats and scarves.

The headteacher, Andrea Colley, plans to confront the secretary of state with a catalogue of structural horrors besetting the school, which she claims has been promised new buildings annually for the past five years. The thatched roof of the original schoolhouse, built in the 1860s by a local earl for the education of village children, attracts rats and mice, while two wooden mobile classrooms added a century later have no insulation. Temperatures plunge almost to freezing in winter, while in summer they can soar as high as 105F sending the infants to sleep at their desks.

Mrs Shephard, visiting the school to open a new environmental area created with cash raised by staff, will be told how children must put on outdoor clothes to make the time-consuming trip between buildings for assembly, lunch and – for one class – to go to the toilet.

The lack of a hall makes indoor PE impossible, reducing games in freezing weather to 15 minutes' runaround on the field. Mrs Colley said the school had pleaded for over a decade with Norfolk County Council and directly to the Department for Education and Employment (DFEE) for refurbishment and renewal of its buildings, but without success.

Mrs Shephard, as constituency MP, had even lent her backing to the cause before becoming education secretary by supporting a council delegation to Westminster, describing one of the Sixties-built classrooms as a "warped and sagging building", the head said. She added: "The secretary of state says the LEA has the money for repairs and the authority is saying it doesn't, so hopefully they will thrash it out during the visit and finally resolve this."

Pupils and staff managed to put a brave face on the building problems, and inspectors had warmly praised education at Weeting in a recent report, Mrs Colley said. "I have seen the children come into assembly this morning and sit down among puddles of melting snow but they keep smiling and keep happy because that is what Weeting children are like."

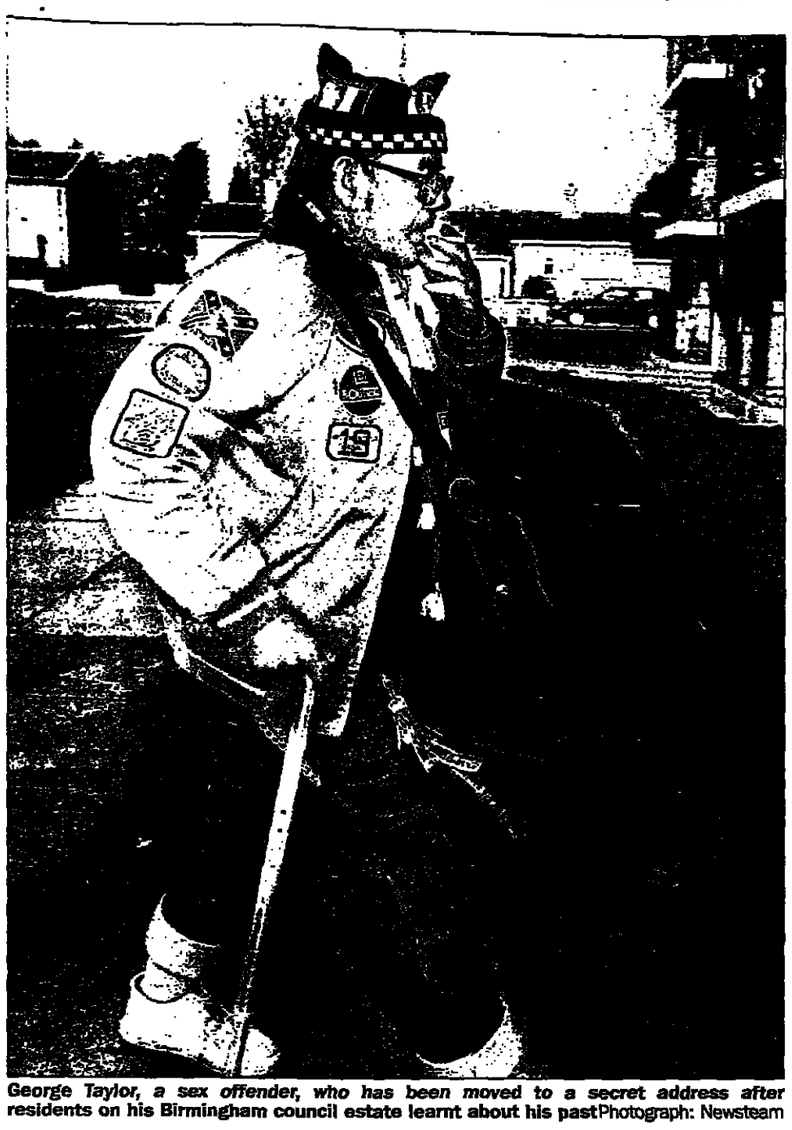
Staff want the schoolhouse and two thatched classrooms, all Grade 2 listed, refurbished for continued use by the school, together with a new hall and permanent classrooms.

A Norfolk County Council spokesman said the authority had made an urgent application to the DFEE for permission to borrow money to rebuild Weeting this year but had been turned down. The council had a £36m backlog of school building repairs, he said.

A DFEE spokesman said Norfolk County Council had missed two opportunities this financial year to bid for government funding to help Weeting school, including a schools renewal scheme and a cross-department challenge fund.

He added: "We are doing all we can to assist local authorities in meeting their responsibilities for managing their building stock but it is for authorities to take full advantage of opportunities available. If you don't enter the race you can't expect to win."

news



George Taylor, a sex offender, who has been moved to a secret address after residents on his Birmingham council estate learnt about his past Photograph: Newsteam

This man is a convicted sex offender: Should he be denied somewhere to live?

Glenda Cooper

A council official faces disciplinary action for allegedly alerting mothers on a Birmingham council estate that a paedophile was moving into the area.

The case raises the questions of whether convicted sex offenders should be able to live in the community and if so whether people should be informed.

Mike Wood, a housing officer for Birmingham City Council, allegedly tipped off mothers on the estate in Garrett's Green, that George Taylor, a man who had been jailed for indecent assault on a young girl was moving into the area.

Mr Wood was suspended on full pay in November when the allegations came to light. While he has now appeared in front of Birmingham city housing officials three times, public support for him on the Clopton Road estate has been running high with a 1,000-name petition handed into housing officials.

Kelly Forbes, 20, who has a three-year-old son, claimed that Taylor sent her love letters scrawled on the back of cigarette packets and beer mats which he posted through her front door. She said: "He shouldn't have been allowed to live around here where there are children."

The case is the latest to come to light in a long-running debate. In December ministers announced that paedophiles and other sex offenders will have to register their addresses with the police and that they were also considering an American system in which communities are informed when paedophiles move into the district.

There was anger when it was disclosed that a senior social worker had warned that Shaun Armstrong, who killed three-year-old Rosie Palmer in Hartlepool in1994, was "likely to be a risk to any child he comes into contact with", yet had been housed in a council estate full of children.

In nearby Middlesbrough, the local authority has announced that it will formally exclude sex offenders from estates.

And last November headteachers at a group of primary schools in South Wales wrote to parents warning about a paedophile who moved into the area. The teachers passed on details of the man's appearance, car and vehicle registration number after police tipped off the local education authority.

Yesterday, the disciplinary hearing in Birmingham was adjourned until a week today. Mr Wood is accused of disclosing confidential information about George Taylor.

Following protests on the estate, Taylor was moved out for his own safety last month. He had come to the estate following his release from prison in Essex. A police spokesman said: "We can confirm that Mr Taylor was recently released after serving a prison sentence for the indecent assault of a young girl."

After three weeks he was removed by police for a day for his own safety but returned 24 hours later. He spent another two days under police protection before being m... ed with his mother to a secret address in the city.

A residents' spokesman said: "We believe that if Mike Wood did tell residents to keep their children away from a dangerous tenant, he was doing the right thing. He should, therefore, be reinstated in his job."

Ann Fleming, spokeswoman for Birmingham's housing department, said: "In this case the man went to live with his mother, who we have an obligation to house.

"We are not told of the previous convictions of tenants under any circumstances ... There is no register we can refer to to find out whether prospective tenants have a record of sexual crimes."

Kelly Forbes, a mother on the estate, is concerned for her son

But a Liberal Democrat councillor, John Hemming, who is leading the campaign to save Mr Wood's job, said: "[Mr Wood] is just being used as a scapegoat. He felt that Taylor could be a danger to children and felt that the mothers on the estate had a right to know about his criminal convictions. I don't believe Mr Wood should be in danger of losing his job as a result of what he has done."

But Jackie Craissati, head of forensic clinical psychology services for south-east London, warned that excluding paedophiles was not necessarily the best way to protect children.

"People think that child abusers are strange men in bedsits targeting kids on the street. In fact probably as much abuse goes on within the home," she said. "Children are more at risk from their own parents, brothers, uncles and grandparents than they are from strangers although I do understand the concerns."

She said that if offenders were never allowed to be rehoused the more dangerous men continued to move around. "Then it is more difficult to follow them up and they lose contact with probation officers, psychologists or any kind of supervision which makes them more likely to reoffend."

Secret of abuse that shames all societies

Susan Hope-Borland reveals that paedophilia is as old as mankind

A hundred years ago child abuse remained hidden, with Freudian theory a great influence. When there were reports of child sex abuse it was put down to female hysteria reflecting psychological problems on the parts of the victims.

It is only in the past 10 to 15 years that we have begun to believe that sexual abuse of children exists. The climate has changed as social attitudes have changed, and people have had less difficulty in disclosing what has happened to them. The mechanisms to deal with them have also been put in place. Therapists have come to realise the long term effects of child abuse and develop knowledge about them.

It is impossible to say why attitudes did change. It would have to be highly speculative but I think it would have something to do with changes in women's situations, their role, perceptions of their sexuality and also changes in the law such as the recognition of marital rape.

When the question comes up as to whether sex offenders should be able to live in the community, it is difficult to answer. Sex offenders are not a homogeneous group. They differ widely in their problems, attitudes and offending patterns.

With some offenders there is a validity in not allowing them to live in the community in order to protect children. But in some cases the offence was many years ago and they may have had extensive treatment and may no longer pose a serious risk. But they are still worried that they will be subject to hostility and are very afraid.

It is difficult to say if cases of child abuse are rising, partly because reporting has got so much better, but also it is impossible to say accurately how many children are abused because even today there is so much that still remains hidden.

Paedophilia has been found in every society throughout history but there are contrasts in how seriously each took it and what action was taken. In some cultures paedophilia was not seen as wrong. Certainly there are well-documented reports that amongst tribes in New Guinea paedophilia was considered acceptable. And the definition of paedophilia itself has changed. For example, at one time it was considered normal for people to be given in marriage at the age of 12.

□ Susan Hope-Borland is an expert on paedophilia and consultant clinical psychologist with the North Wales Forensic Service.

Merger creates TV giant

Mathew Horsman
Media Editor

The country's largest privately owned independent television production company will be unveiled today, with the news that Barraclough Carey and Mentorn Films are merging.

The two companies, which between them produce about 600 hours of television a year, are responsible for *Challenge Anneka*, Carlton's *Capital Woman*, and the Gerry Anderson programme *Space Precinct*. They also make about 1,500 hours of radio programming.

Barraclough-Carey, jointly run by George Carey and Jenny Barraclough, the former head of BBC Documentaries, specialises in factual programming. Mentorn, run by Tom Gutteridge, has concentrated on entertainment.

"The two companies are an excellent fit," Mr Carey said yesterday. "In the independent television sector, you have to be careful about becoming too specialised, and this deal gives us a good deal of depth of resources and talent."

Mr Gutteridge will be the majority owner of the company, and will assume the role of chief executive. A stock-market listing could come within two years. The merger was seen in media circles as a confirmation that a new round of consolidation has started. For several years, the independent sector has been awash with rumours of buyouts and mergers, with the big production companies like Thames, Granada and Carlton favoured as bidders.

"It is clear that there will be fewer independents within a year or two," Mr Gutteridge said. The prospect of 200 channels to fill will mean that companies will have to be big enough and diverse enough to meet the demand.

Terrifying fall to earth leaves Branson in two minds on further round-the-world balloon attempt

The deflated ego

Charles Arthur
Science Editor

Ballooning experts were last night puzzling over telemetry data to try to understand why the Virgin Challenger balloon plummeted earthwards in the early hours of Tuesday morning – almost killing Richard Branson and his two crewmates.

The team were unhurt yesterday after being forced to abandon their attempt to fly around the world, less than 24 hours after taking off. They ditched in the Algerian desert following a terrifying half-hour when Alex Ritchie, 51, had to climb out on top of the capsule into the freezing night air and drop two of the six one-tonne canisters of propane attached to the capsule to halt the descent.

Mr Branson said last night that the daredevil exploit had been necessary because explosive bolts designed to release the canisters in emergency had not been enabled at take-off.

Speculation surrounded the possibility that the uncontrolled fall might have been started by a jammed helium release valve, a tear in the canopy fabric, or that the crew released too much helium to control their rapid rise after takeoff.

Don Cameron, a balloonist who is preparing to make his own attempt to cross the world by balloon, said: "It could be that everything went wrong because of a 50-franc [£1] sensor."

He suggested that a piece of the thin layer of ice covering the top of the balloon in the freezing night air may have dropped into the gas valve controlling the release of helium.

"They probably tried to open the valve electronically and a piece of ice probably got in, preventing it from closing perfectly, so the balloon started descending and lost a lot of helium." he said.

Mike Kendrick, the Virgin project director, said it was clear that the system – involving releasing helium to control ascent or lose height, and dumping ballast to control descent – "did not work". But he added, "We'll look at the telemetry on Thursday morning. It wasn't a tear, and the balloon was in dry air – the possibility of icing is really remote. We're not bothering with explanations at the moment. We weren't asking them why they landed, we wanted to know where."

A potentially fatal crash was only averted by the daring of Mr Ritchie, the oldest member of *the crew, who was a last-minute* replacement for an ill colleague. As the balloon descended at 400 feet per minute – twice as fast as an express lift – he unhitched the propane canisters, critically reducing the weight.

Eventually they landed safely *in the Algerian desert near the* town of Bechar at 7.29am – just 400 miles from their starting point in Marrakesh in Morocco, after flying for 20 hours and 10 minutes. It was a dismal end to the high hopes that Mr Branson had held with Per Lindstrand, the balloon's designer and a co-pilot, of circling the world non-stop in three weeks, using the jet-*stream at 30,000ft to blow them* along. But they managed to land the capsule undamaged.

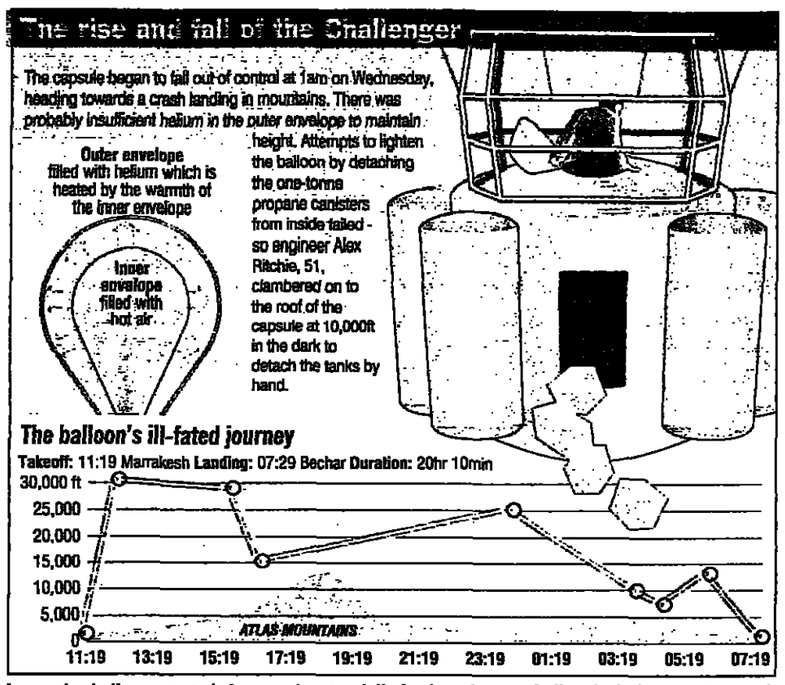
"We've had quite a lot of adventure that we would rather not have had," Mr Branson said, and added: "I'm sure that if Alex had not been on board, Per or myself would not have come back."

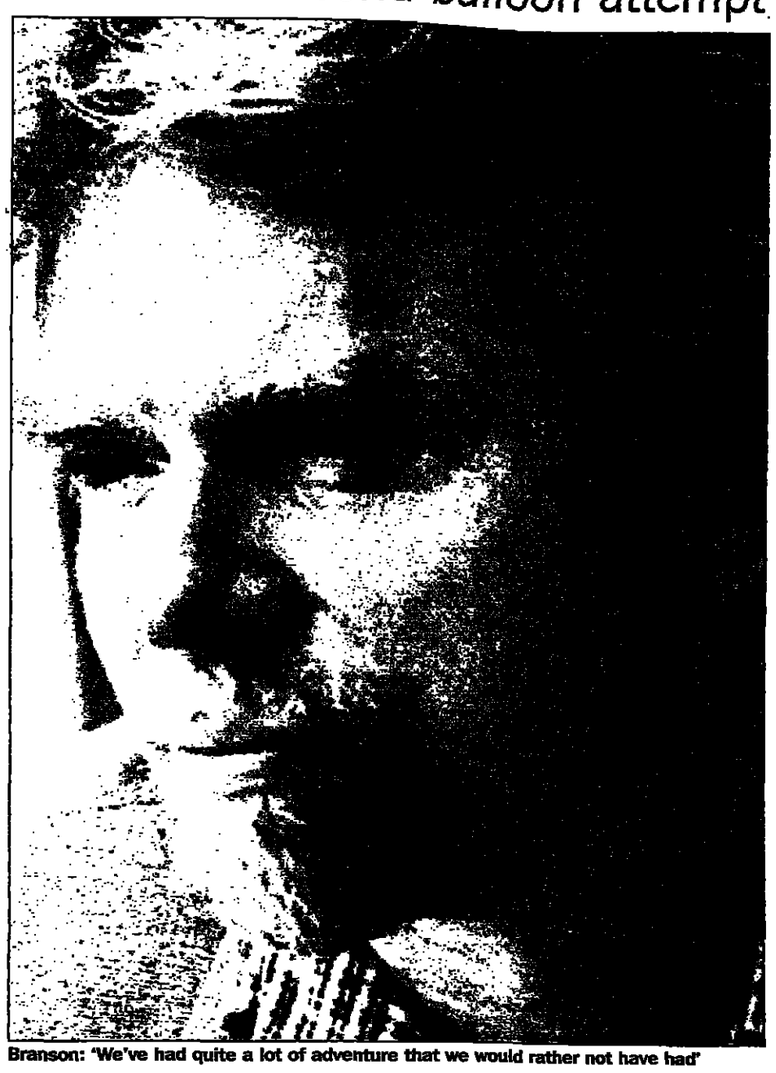
He admitted to having been mortally frightened as the capsule fell out of control. "I suddenly thought, What the f.... am I doing up here again? I remember saying to myself, 'If I ever get through this I am never going to do it again.'"

Without Mr Branson's backing, and perhaps participation, it is unlikely that the Challenger project will get off the ground again. His Virgin companies have been the main sponsors of the £3m attempt, putting in about half of the sponsorship. Another attempt would in any case be unlikely this year as a new canopy able to hold the 1.1 million cubic feet of helium would have to be built.

However, Mr Lindstrand, asked if the trip and its equipment were too ambitious, replied "Probably"; on whether he would go on any further attempts, he answered "definitely". But Mr Branson, the guest of the British ambassador to Algeria last night, said, "I think I will need to talk to my family... I did ring my son Sam just after landing and he asked, 'Will you try again, Dad?' I assumed he was suggesting that I shouldn't, but when I asked him *what he thought he said, 'Of* course you should.'

"I have to admit I was rather hoping to hear the reverse from him. But there are other elements of my family I will have to talk to about it."




Branson: 'We've had quite a lot of adventure that we would rather not have had'

Rescuers hope to reach missing sailors today

Ian Burrell

Australian rescuers hope that today they will reach Tony Bullimore, the British yachtsman they believe is inside the hull of his capsized yacht in freezing sub-Antarctic waters.

Yesterday it emerged that his emergency beacon had drifted clear of the yacht. Members of his back-up team in Bristol said the boat, *Exide Challenger*, had four beacons. The one drifting was not in distress mode and they were confident Mr Bullimore was still with the yacht.

The rescue team, which picked up a distress signal from Mr Bullimore on Sunday, is near another yachtsman, Thierry Dubois, 29, who capsized in the same storm. The frigate HMAS *Adelaide* hoped to launch a helicopter this morning to pick up the Frenchman, who is in a liferaft.

Mr Bullimore and Mr Dubois, competitors in the Vendée Globe round-the-world race, overturned 900 miles from Antarctica and 1,400 miles from Australia.

Aircraft have sighted Mr Bullimore's yacht but there was no sign of him. Listening devices dropped yesterday failed to elicit a response.

Andrew Reynolds, an Australian defence spokesman, said: "It does not mean because we have not heard ... that he is not there or that he is dead."

Raydon Gates, the *Adelaide*'s captain, said that after rescuing Mr Dubois the frigate would head 60 miles south to Mr Bullimore's yacht, but could spend only 12 hours in the atrocious conditions of the search zone.

The yacht's manufacturers have said that Mr Bullimore could survive reasonably well in the boat's two living spaces and would have about 140 hours of air.

Rescuers will try to establish contact with Mr Bullimore through the hull, so that he can swim out, or will attempt to cut a hole into the yacht.

The Australian skipper did not play down the difficulties of recovering the yachtsmen in the turbulent waters.

"This is the furthest south we've ever had to effect a rescue," he said.

Company plans to provide poor with cheap electricity

Colin Brown
Chief Political Correspondent

More than a million low-income households could see their electricity bills cut by 10 per cent and their debts wiped out under an initiative being planned by a non-profit-making company.

People who are already having difficulties paying their bills will be offered low-cost electricity by the Energy Action Grants Agency, known as Eaga Ltd, which administers the Government's home energy efficiency scheme. Well-off households would not qualify.

John Clough, chief executive of Eaga, said the initial target would be the 64,000 customers who are on social security benefits and who have their bills *paid direct* by the Benefits Agency.

Mr Clough said the turn-over of people on direct payments was so great that he was looking to supply over one million customers with electricity at cost. This would mean heavily undercutting all the main electricity suppliers in Britain.

If the plan takes off, Eaga could expand and supply cut-price water and gas to millions more low-income households.

The scheme has been made possible under the Government's privatisation and competition legislation, which allows companies to buy and resell electricity. Under the plan, Eaga would buy electricity and sell it on at cost to the poor.

The chairwoman of Eaga, Andrea Cook, said: "Because we are a non-profit-making company, we don't have to pay dividends to shareholders, and we can cut our rates." Ms Cook is also the director of National Energy Action, a charity working *with the Government to pro*mote energy efficiency in homes.

Ms Cook says she is keen to combine the provision of non-profit electricity with greater fuel efficiency in low-income households. Eaga is considering offering a package of advice on energy efficiency, and grants to provide homes with lagging and insulation.


Peter Lilley: Cost-cutting led to cheap power scher. ⇒

Beneficiaries of the scheme could also have their existing debts on fuel taken over by the company if they reduced their use of electricity through energy efficiency measures. "It is common in America," said Mr Clough. "So long as they play ball and use less fuel, we could wipe out that debt from the previous supplier for fuel."

Ms Cook said: "We are concerned about the high charges that people on direct payments are facing, and the impact of the competitive market. We are investigating the possibility of taking on a licence as a second tier supplier whereby it would provide lower cost electricity specifically to low income customers.

"We would sell low cost electricity to low income families because we want them to have the benefit of competition."

The disclosure by *The Independent* on 20 December that Peter Lilley, the Social Security Secretary, is poised to end the direct payment arrangements, acted as a spur for Eaga to become involved.

Lord Russell, the Liberal Democrat peer, has tabled questions for 14 January in the Lords about the Government's threat to cut that service to save costs. A leaked document said that Mr Lilley had agreed with the Benefits Agency to disengage from direct payments, and that the Agency should "not be in the business of social banking/debt management."

The move has angered social security officers who make the direct payments, and try to help poor people to get out of debt. It is feared that leaving people to sort out the payments for themselves will lead to more being cut off.

Road protesters dig the dirt on minister

Carve-up: Anti-road activists relaying turf in an attempt to make good the damage to Sir George's lawn after their symbolic protest yesterday Photograph: John Lawrence

Louise Jury

Newbury bypass protesters yesterday stuck an eviction notice to the home of Sir George Young, the Secretary of State for Transport, then dug a "road" through his garden.

Around 25 campaigners worked unhindered for more than an hour at Sir George's house in a secluded spot at Cookham, near Maidenhead, Berkshire, to mark the first anniversary of work on the bypass route. Four of them trailed banners proclaiming "save Newbury's landscape" and "Newbury today, where next?" from his roof while others dug up a 20ft by 15ft stretch of his back lawn. Some are thought to have gained entrance to the house.

But 10 were eventually arrested on suspicion of conspiracy to cause criminal damage after police were alerted.

At the same time, at a second home belonging to Sir George in St Mary Bourne, near Newbury, another dozen protesters delivered more than 1,000 postcards objecting to the bypass.

A spokesman for the campaigners, who call themselves the Third Battle of Newbury, said although that bypass was going ahead, road-building was still a live issue. "Roads are still being planned and in sensitive areas. Although Sir George didn't approve the Newbury one, he's minded to approve the Salisbury scheme which is very similar." And he added that Sir George, who is known as the Bicycling Baronet, should be called the Bulldozing Baronet instead.

Speaking shortly before being arrested at Cookham, Viki Lloyd, 24, a political researcher, said she thought Sir George would be upset by the attack but added: "It would be far more upsetting if a real road was built here and he had thousands of cars passing through. We are urging Sir George to adopt an integrated transport policy, rather than carry on building more cars and more roads."

A Department of Transport spokesman for Sir George said the protest was a matter for police. "They should not be committing criminal damage of this nature." Thames Valley Police Assistant Chief Constable Robert Davies added: "Attacking the home of a minister is far from peaceful protest and will not be tolerated."

Lib Dems face revolt on Labour alliance

Fran Abrams
Political Correspondent

The Liberal Democrats were facing a backbench rebellion last night over the party's talks with Labour on constitutional reform.

One Liberal Democrat MP, Liz Lynne, has told the party leader, Paddy Ashdown, that she will not support any coalition with Labour. Last night she said she believed that some of her backbench colleagues might take the same course. Although she would not resign the whip, she said she would take each issue on its merits and would not be bound by any Lib-Lab pact.

The talks, which are due to conclude within the next month, are aimed at reaching cross-party agreement on issues including the reform of the House of Lords and the House of Commons, a Freedom of Information Act and a Bill of Rights. They are also due to touch on proportional representation.

There has been speculation that the discussions could lead to more formal links between the two parties after the election.

Yesterday Miss Lynne criticised the talks and said they had caused great concern among party members. She added that Shirley Williams had raised a cheer at the party's conference when she said it should not give up its principles for a handful of cabinet seats. "Even frontbench colleagues of Tony Blair are not listened to. Do they think if we went into a coalition that Paddy Ashdown would be listened to? If I was planning the Labour Party campaign this is one of the things I would be plotting. It destroys our vote," she said.

Miss Lynne added that if a coalition were formed, she would not adhere to party discipline, and that some of her colleagues might do likewise. "I suspect some of my colleagues would not be bound by the party whip. I believe ours is the mainstream and the people out on a limb are those wanting to get closer to Labour," she said.

The Conservative Party's deputy chairman, Michael Trend, seized on Miss Lynne's condemnation of the "new Lib-Lab pact". He said: "Liz Lynne is a lonely voice in a Liberal Democrat Party which has surrendered its independence to New Labour. She senses correctly that voters will see no reason to vote for the Lib Dems when their only aim is to put Tony Blair into 10 Downing Street. The dishonest deal between the Lib Dems and New Labour is the double danger now facing Britain."

Asked whether he would endorse PR before the election, Mr Blair said yesterday that he had no intention of doing so. "I have always made my position clear on PR. I have not been persuaded on it. It is not about pacts or deals. I have no desire for pacts or deals. What I have is a desire to ensure that sensible constitutional change is put through in the best possible way."

'Shambolic sale' of HMSO to be investigated

Fran Abrams

The National Audit Office is to investigate the Government's sale of Her Majesty's Stationery Office, it was confirmed last night. Labour has complained that the firm which bought the office had links with the Conservative Party.

Although an NAO spokeswoman said last night that an investigation was standard in large-scale privatisations, the opposition party was claiming a victory in its campaign to expose what it sees as a "shambolic" sell-off.

The sale of HMSO to a company called Electra Fleming for £54m has been repeatedly attacked by the Labour Party.

A Commons motion put down by the frontbencher Brian Wilson said it was "hopelessly tainted and against the public interest. It added that Robert Fleming, one of the firm's directors, had given £527,000 to the Conservative Party and that the Electra Investment Trust, with the former cabinet minister Tom King and the Tory peer Lord Vinson as board members, had "chipped in at least £40,000".

Last night, Derek Foster, shadow Chancellor of the Duchy of Lancaster, said: "I am delighted that the NAO has responded to my calls for a thorough investigation into the shambolic sale of the stationery office. We totally opposed this crass privatisation from the outset. The knock-down sale of the office for less than a third of its market value was a complete disgrace and I trust the NAO will probe all aspects of this murky deal."

An NAO spokeswoman said: "We have made a decision that we are going to do a report on the HMSO, but it is standard." The investigation was just one of a number carried out after major privatisations, she added.

news

Christmas computers have had their chips

Steve Homer

Computers bought for Christmas are already out of date. Although those shopping for computers as presents were unaware, a more powerful processor to improve graphics, sound and video was just waiting to be launched

Yesterday Intel, the world's largest chip manufacturer, unveiled its MMX chip, an add-on for its best-selling Pentium processor. But even computer experts, used to an industry in which things changing fast, expressed surprise.

"I think people will be really annoyed," said Jan Howells, of *Computer Life* magazine. "Intel plan a massive advertising campaign and Joe Public is going to say: 'Why wasn't I told about this before Christmas'."

Richard Wentk, of the *Which? Guide to Computers*, said: "That just goes to show that people really need to do their research before they buy a computer." He added that software which could make proper use of MMX's multimedia capabilities would not be available until late spring.

"As far as basic applications are concerned the chip will make no difference whatsoever. It is a solution waiting for some problems to appear. It's a nice development in theory which will do things programmers can get excited about but there are not any 'killer' applications," he said.

With more and more "ordinary" people buying PCs, especially for the home, many self-taught experts will be wondering why technology has to change quite so fast, and particularly why a significant improvement to PC technology is held over until after the main Christmas buying period.

Intel said it could not launch MMX sooner because it lacked sufficient software support, and could not produce enough of the chips to meet expected demand. But with less than 15 MMX titles available at launch there seemed little reason for delaying the announcement.

"I would have liked to give MMX to my customers before Christmas but it was not available," said John Shepheard, general manager of the PC direct sales company Gateway 2000. "We have no problem with inventory, but for others, changing over to a new type of processor is inevitably a problem."

MMX stands for multimedia extensions. "MMX technology allows the Pentium processor to produce much better graphics, video and audio," said Ian Wilson, Intel's European technology manager.

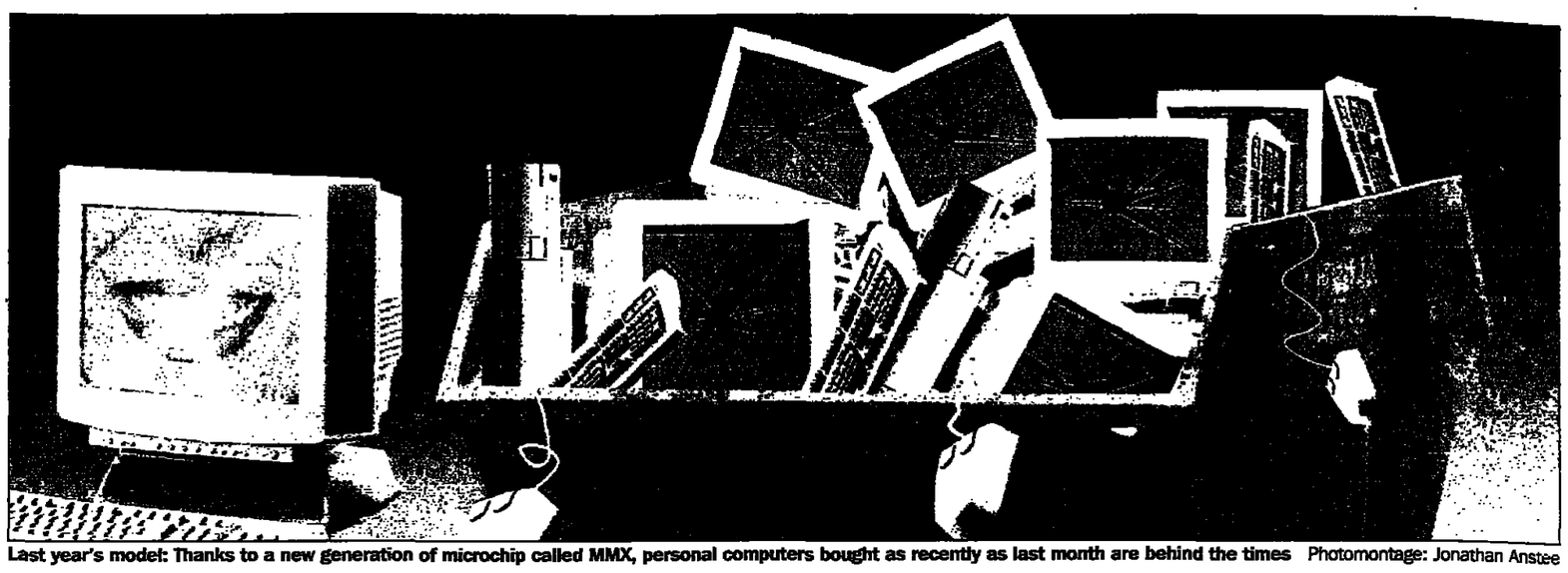
Almost all Windows-type PCs use Pentium processors. These come in various speeds with the slowest being around 66MHz and the fastest now 200MHz. Intel has introduced an improved version of the 166MHZ and the 200MHz. It has no plans to introduce MMX versions of the slower processors which it expects will cease to be mainstream products by the end of the year.

Existing multimedia software should get a 10 to 20 per cent performance boost from MMX but to get the real benefit software applications have to be specially written for MMX. Intel says MMX multimedia titles will operate up to 60 per cent faster on MMX-enhanced PCs compared with ordinary packages on ordinary Pentium machines. In certain special multimedia-intensive tasks, such as fast video sequences or complicated visual tricks, MMX systems could operate two or three times faster.

While Intel charges about £50 extra for an MMX chip, Gateway and many others will not be charging extra for an MMX version of a machine.

MMX will start appearing in the shops over the next few weeks. For some computer games and multimedia titles it might produce a significant benefit but with "ordinary" Pentium PCs so heavily discounted after the Christmas rush, many bargain hunters should be sticking with the machines they know.

Jan Howells said: "For real games people who are into arcade-type 3D games they should perhaps wait for MMX. For other people, the price of inventory held by vendors and manufacturers is bound to drop and there should be some real bargains."



Last year's model: Thanks to a new generation of microchip called MMX, personal computers bought as recently as last month are behind the times Photomontage: Jonathan Anstee

Cable clears way for schools to surf the Net

Mathew Horsman
Media Editor

Britain's cable operators yesterday offered the nation's schools low-cost unlimited access to the Internet, in a move that is sure to provoke a similar offer from British Telecom, the leading telecommunications company.

Under the one-price offer, schools in cable-franchise areas can dial up and use the Internet without paying per-minute charges. The operators will make a monthly charge of £50 for a high-speed ISDN line, in additional to annual charges of between £100 and £500, depending on school size. Thereafter, calls are free.

Mary Marsh, head teacher at Holland Park School in London and the teacher representative on the Oftel Education Task Force, said: "This is excellent news for schools. A fixed-price with unlimited use is exactly what is needed to open access to the Internet and on-line communications for all students and teachers."

Stephen Davidson, the chief executive of the cable company Telewest, and the chairman of the Cable Communications Association, added: "Our members have identified education as one of the three top priorities."

BT said it was prepared to offer similar low-charge access, with unlimited calls, provided it could reach agreement with Oftel, the telecoms regulator. BT controversially reached a "deal" with the Labour Party in 1995 under which it would connect all schools and other public-sector organisations in return for a relaxation of controls on the company's activities in broadcasting.

The main impediment to rapid growth in Internet use in the UK has been high call charges. In the United States, local service is free, after a monthly charge. BT last week confirmed it was considering packages that would combine fixed charges and unlimited local calls.

Normal telephone lines can be used to tap into the Internet, but the rate of data transfer can be slow. ISDN lines allow the transfer of up to 128 kilobits of information a second, compared to about 14 kilobits on traditional lines.

The cable industry has spent £6bn building a fibre-optic broad band network capable of carrying both television and telephony services. It has signed up 1.6m customers nationwide.

The Internet is viewed by educators as a prime tool for use in classrooms, with access to the worldwide network providing educational material, statistics and other general information.

news

What a way to run an opinion poll

It was supposed to be TV's great public debate but it turned out more like a public bar barney. **Michael Streeter** reports

Live debate: The behaviour of the audience at the *Monarchy* filming in Birmingham has been criticised as boisterous. Others say the programme made compelling viewing

The Carlton Television programme on the monarchy, which attracted a record 2.6million telephone calls, came under attack yesterday for both the standard of debate and its boisterous live audience.

Experts who took part in Tuesday night's *Monarchy: The Nation Decides*, filmed at the National Exhibition Centre in Birmingham, queued up to criticise the "pub debate" level of discussion. The Conservative MP and former minister Stephen Norris, who walked out after half an hour without taking part, described it as "crap".

Nonetheless both television experts and politicians claimed that such mini-referendums filled a gap left by the failure of Westminster to debate key issues.

Across the United Kingdom, the telephone poll registered 66 per cent favouring the monarchy, with 34 against. Only Scotland returned a majority republican vote, which reached 56 per cent. In Wales the split was 59 per cent pro-royalty, 41 per cent against; Northern Ireland, 64 per cent in favour, 36 per cent against; and the English regions around 69 per cent pro, 31 per cent against.

There were complaints from many viewers that they could not get through on the phone lines – particularly on the "no" line. However, Buckingham Palace described the result as "encouraging".

Carlton and ITV Network executives were delighted with the success of the programme, which was watched by an estimated 8.5 million viewers. The format of this kind of television started in the United States and has been operating in UK regional television for five years. Paul Corley, controller of factual programmes for the ITV network, said after the broadcast: "I think this is the sort of programme that ITV should be doing ... I think it was terrific television."

Executives also shrugged off criticism by panellists about the behaviour of the 3,000 audience who booed and heckled speakers, and the constant sparring between experts.

Mike Morley, the programme's editor, said: "We were on new ground here. There were 3,000 people in a live audience and you can't expect them to behave as if they are at a seance." He denied that the audience had been wound up to create atmosphere.

The panellist Claire Rayner was frustrated by the format. "I hoped there would be the chance to really talk seriously about issues, not just this boring old slagging off. It is just a pub debate."

Mr Norris, who steps down as an MP at the next election, said the event reminded him of a cross between a rugby scrum and a pantomime. But he conceded that the appearance of such programmes was a signal of a lack of debate in Westminster.

Fellow panellist Professor Stephen Haseler, chairman of pressure group Republic and Professor of Government at London Guildhall University, agreed that the programme was symbolic of the failure of Parliament. There was little or no debate between the main parties on the monarchy, Europe, Scotland or Northern Ireland, he said. "No wonder other media are moving into the field."

The Tory MP George Walden called the programme a "substitute for the silence of politicians". "And when these emotions come out they are not always a pretty sight," he said.

The reaction from the television industry was that *Monarchy* provided compelling viewing, if not enlightening debate. One senior observer said: "These participation programmes are becoming a fad among current affairs producers who have seen that Westminster just isn't talking to the public."

Tom Gutteridge, chief executive of Mentorn Films which produces the phone-in *You Decide* with Jeremy Paxman for BBC1, said the latter was a much more tightly controlled debate than Carlton's, which was "referendum by TV". He doubted that more than a few hundred thousand people had called in; his experience suggested many people voted several times.

Carlton said last night that it made only a small amount from the telephone lines. But television historian Tony Currie said such revenue would become an important factor for programme makers. "What we had last night was in effect pay-to-view TV."

■ The broadcasting watchdog Independent Television Commission said it received 16 complaints from the public on its overnight answering machine: on an average night it gets six.

Leading article, page 13

DAILY POEM

Heartmelt

By John Fuller

The treacherous blue of the hollow snow
And the ancient blue of the Gletscher
Are like the flicker of a headache
Or the acid of the etcher
Making transparent what was opaque,
And now the haunting, oh so slow
Beginning of movement, the light of ice
Dripped from a lip of rock, showing
The sun what beacons are, the glint
And dribble of the water flowing
Freely now, falling without stint,
Once each drop has fallen twice:
The danger is past, as we have long felt:
Though mountains are still there, the mountains melt.

This poem comes from John Fuller's latest collection, *Stones and Fires* (Chatto & Windus), which appears on the TS Eliot Prize shortlist after having won the 1996 Forward Poetry Prize. Chatto has also just published Fuller's *Collected Poems*.

Protests put UK link to Belgrade in line of fire

Andrew Gumbel
Belgrade

Just two months ago, Britain was in the forefront of the European countries actively encouraging commercial ties with the autocratic rump Republic of Yugoslavia dominated by President Slobodan Milosevic.

To some eyes, it looked like a foolhardy policy from the beginning: offering the oxygen Mr Milosevic badly needed – foreign investment – to shore up his authority and bolster the gangster economy he had built up over four years of war and international sanctions.

Now, after eight weeks of pro-democracy street protests against the Serbian president, that policy is effectively in tatters. By annulling municipal elections, which were won convincingly by the opposition, and then sending riot police into the streets to try to contain the spontaneous protests that followed, Mr Milosevic has put himself beyond the pale of even the most cynical of foreign-policy formulators in Whitehall, the Quai d'Orsay and the Farnesina in Rome.

Commercial contacts, which had led to a number of fat contracts, including a telecommunications deal with the French company Alcatel, have dried up, and embassies in Belgrade have brought their scouting trips around the decrepit factories and mines of Serbia to an abrupt end. The European Union and the United States have been unstinting in their statements urging Mr Milosevic to reinstate the election results and respect the basic rules of a civil and democratic society.

But the rapid policy transitions have not gone unnoticed among the intellectuals and fledgling opposition politicians of the pro-democracy movement, and even now much bitterness remains. The country invariably singled out for criticism is Britain, which has the unenviable reputation on the streets of Belgrade of being Mr Milosevic's biggest chum in the international community.

The British Ambassador to Belgrade, Ivor Roberts, has been nicknamed "Roberts the Red" and is variously accused of schmoozing with Mr Milosevic and conspiring to contribute to the government campaign in the run-up to last November's elections.

The British government, meanwhile, has been accused of dragging its feet about joining the present chorus of international disapproval – only doing so, as the street wisdom has it – when it found itself with no other choice.

As ever in the Balkans, public perceptions are a mixture of rather conspiratorial fantasy and hard fact.

The fantasy largely concerns Mr Roberts, who seems to have been penalised for his ability to gain frequent but above-board access to Mr Milosevic and other senior government officials – something that the rest of the Belgrade diplomatic corps envies, not resents, him for. The average Belgrade taxi driver will accuse him of appearing "night after night" on state television during the election campaign, but in fact he was the subject of a single short report on a visit to a plastics factory.

In reality, Mr Roberts was the first EU diplomat to draw up a draft reaction to the cancellation of the elections. When the independent Belgrade radio station B-92 was shut down in December, he was there within an hour to sympathise with the staff and was instrumental in getting the station reopened two days later.

The hard facts concern British policy and the behaviour of senior British officials, not just in this crisis but stretching back to the beginning of the Balkan wars. Resentment against Britain has been welling ever since Douglas Hurd, as Foreign Secretary, seemed to make it his policy to uphold a "stable" (ie Milosevic-run) Serbia and Lord Owen, as European mediator, refused to consult any opinion in Belgrade other than that of the President.

Government backs down on election result

Belgrade (AP) – In a big concession to pro-democracy demonstrators, the Serbian government acknowledged last night that the opposition won the republic's second-largest city in municipal elections. A Justice Ministry statement read out on state television said that the opposition had won the city of Nis in the 17 November municipal elections.

Nis is Serbia's second-largest city. Annulments of opposition victories there, in the capital, Belgrade, and 12 other municipalities sparked the protests that went into their 51st day yesterday.

From Serbia with love: Student demonstrators in Belgrade turn on the charm as riot police monitor their protest *Photograph: Reuters*

$130m handshake that won't shock anyone

David Usborne
New York

If the British public does not much like it when executives of well-known companies are discovered to have been given seemingly excessive salaries or golden handshakes, it should pause and look at America. Here we are talking not millions but tens of millions. And the moral outrage barely registers.

Best of all, look at the current, extraordinary case of Michael Ovitz, the once-mighty wheeler-dealer of Hollywood who recently jumped ship as chairman of the Walt Disney company after a 14-month tenure that is generally considered to have been undistinguished if not disastrous.

The exact size of his pay-off will be set out in a filing to the Securities and Exchange Commission by Disney tomorrow. It is known, however, that the total value, part of it cash and part in options tied to the company's performance, will be between $76m (£49m) and $130m.

Multi-million goodbye presents are not unusual in the United States, especially in the entertainment industry. Sony and Time Warner are companies that have also recently written sky-high cheques for departing executives.

The Ovitz deal sets a new standard, however, by virtue of its extravagance and because of the general recognition that it is reward for a job poorly done.

> In this business, the senior executives are treated like stars

Disney and its chairman, Michael Eisner, an old Ovitz pal, have not escaped opprobrium entirely. The company is facing a multi-million dollar law suit claiming Mr Eisner is violating his responsibilities to shareholders by effectively giving so much company wealth to Mr Ovitz.

There has also been a degree of indignant sniping in studio corridors (not least inside Disney) and on some comment pages. ("Beavis and Butt-head do the Disney shareholders" ran the headline on a deeply critical column in the normally corporate-friendly *Wall Street Journal* this week).

Whether or not this is a case of corporate compensation gone mad, it has so far made barely a ripple on the wider political scene.

Cedric Brown of British Gas was sandbagged in the British media last year when he received a retirement package worth a mere £3.4m. He may have wished he was in the US.

Indeed, Disney is claiming to be serene about the affair. A spokesman yesterday termed the lawsuit a "trivial" one filed by a lawyers' office that specialises in taking on corporate giants. Since Mr Ovitz left Disney on 27 December and the pay-off has been sealed, any effort to block it may be too late.

Disney also points out the terms of a premature departure by Mr Ovitz were more or less preordained by provisions included in the contract that originally induced him to abandon his own Creative Artists talent agency for Disney in 1995. "The contract was out there in the public domain and the press praised us for it," Disney's John Dreyer said. "I think there is some revisionist thinking now".

Entertainment executives also make another important point: it is more than probable that down the road Disney will find itself on the other side of a table from Mr Ovitz on some deal or another; better he be a friend than foe.

Other factors that may make the Ovitz pay-off less egregious than it may seem are perhaps cultural. "First, you have to understand that in this business, the senior executives are treated like stars, just as if they were Stallone or Michael Jackson," a music-industry executive said. "And don't forget: in America, money is not a dirty word".

Rich pickings: Michael Ovitz (right), who is leaving Disney after only 14 months, with Michael Eisner

international

Major offers to be EU's 'flexible' friend

Sarah Helm
Brussels

The Prime Minister has offered Europe a potentially ground-breaking deal over power-sharing, saying other countries can build a common immigration and justice policy as long as Britain is given a "flexible" opt-out.

There were strong signs yesterday that the proposals could by John Major now become the key to opening up a compromise agreement in the deadlocked discussions over European reform.

Securing greater harmonisation of immigration and asylum controls, as well as criminal justice, has become the priority for Britain's partners as they attempt to complete a reform treaty by June.

The Netherlands has suggested that the Schengen agreement, under which several EU countries already co-operate in these areas, should become part of EU law, and the European Commission is working on a plan to incorporate Schengen into the EU system.

Britain, however, which has the power to veto any treaty change, has so far blocked all efforts to make progress. Refusal to budge in this area has soured the atmosphere of the reform talks on every front. According to senior Whitehall sources, Mr Major is now signalling an important concession. Although he would not give up the right to veto a new "justice chapter" in the next European treaty, he would agree not to wield it as long as Britain's interests were protected at every stage.

The new justice "opt out" proposed by Mr Major is a novel concept for European decision-making, British officials say, because it is "extremely flexible." The countries "inside" the new justice area would be obliged to co-ordinate their policies with any country "outside," said a Whitehall source. Under the social chapter opt-out Britain has chosen to be excluded from all social policy-making. However, in certain areas of EU justice policy-making Britain would like to be involved. For example, Britain would demand access to any new Europe-wide data networks on crime and immigration, even though it will not participate in the common justice area.

Britain would also like to participate in the common measures to keep out immigrants and asylum-seekers. However, Britain would refuse to give up any frontier controls at all, and would guard all sovereign justice powers. Mr Major is now letting it be known he is not opposed to the "principle" of pooling powers in these areas, which he concedes make sense for some neighbouring countries. British officials concede that Mr Major could be accused of wanting to "have his cake and eat it" on the justice issue. However, EU member-states want a breakthrough and they believe this offer could provide the basis for productive talks.

All negotiations on EU treaty changes, intended to be competed by June, are highly sensitive, and details of the British offer have not been made public. Mr Major could come under strong attack from Eurosceptics if he is seen to be offering any compromise proposals to his European partners in the run-up to the election campaign, particular in the sensitive area of justice policy.

According to Whitehall sources, the Prime Minister set out his terms over a private dinner in The Hague on Tuesday with Wim Kok, Prime Minister of the Netherlands, which has just assumed the EU presidency. Both leaders emerged from the dinner to say they were encouraged by their talks about "flexibility" in EU decision making. British sources say the leaders were referring to their discussions of "flexibility" in securing an immigration and justice deal. "Flexibility" in the way EU law is applied to different countries is fast becoming the buzzword in the reform talks as attempts are made to accommodate the interests of different countries.

However, tough talks lie ahead as EU leaders attempt to define what precisely they mean by flexibility. The concept is favoured by Germany and France as a means of ensuring that countries who want to pool more powers can go ahead and do so in selected policy areas, without being held back by a lone objector like Britain. Germany and France have already laid out proposals for enshrining the concept of "flexibility", in which they say that no country should be able to veto a decision by others to move ahead. Britain, however, insists that when a group of countries want to pool powers which others do not agree to, individual member states should have a veto.

The risk, Britain argues, is that the interests of countries "outside" the new grouping might suffer as a result of being left out. Negotiations over the next few months will focus on finding a compromise between these two positions.

Clear out: Auction of police memorabilia part of intense trade in nostalgia before handover as legal system suffers a blow

Bargains galore in colonial sale of the century

Stephen Vines
Hong Kong

Mail order: Hong Kong's newly designed, post-colonial postage stamps. They will replace those featuring the Queen's head later this month Photograph: AFP

Forget the annual department store sales, Hong Kong's end-of-empire sale is offering never-to-be-repeated buying opportunities.

Today, for example, the Royal Hong Kong Police are auctioning off an assortment of 150th anniversary memorabilia. As the police force are about to lose their royal insignia and they are the only official body to still carry the old colonial insignia, interest in the auction has been lively.

"You won't be able to buy these after the handover", says Kamuel Chow, a former police officer who is responsible for the auction. "The Royal Hong Kong Police is part of Hong Kong's history. Now that will end, it's very sad, but that's how it is."

The police force was one of the first institutions formed by the colonial authorities. Their record is hardly unblemished, having been tarred by high levels of corruption. However today they like to think of themselves as one of the least corrupt and most efficient police forces in Asia.

They are also sticklers for tradition. Long after the rest of Hong Kong government adopted a new seal in 1958 the police stuck with the original symbol depicting a pig-tailed Chinese man and a black-clad European standing on the edge of the harbour with two clippers in the background. It is clear that they are there for the purpose of commerce – always the main purpose of the colony.

Buyers at tomorrow's auction will have a chance to scoop up 3,600 commemorative bone-China plates, specially produced police anniversary phone cards, first-day stamp covers and even custom-made holders for mass-transit railway tickets. Mr Chow is forecasting "huge profits" from these items in a year or two. He says "now is the real time to buy".

This is something more than a salesman's pitch. Prices are already rising for colonial souvenirs sold at previous auctions. The British garrison, which is fast winding down, has been the most aggressive seller. Most of its wares are of little sentimental value but even they received better than expected prices.

The market for government porcelain and cutlery bearing the crown insignia is even better. Last June a sale of these items raised over £84,000 and there are reports of a brisk resale market emerging across the border in China where a nostalgia wave of another kind, for Mao-era Cultural Revolution mementoes, is also raging.

Unfortunately for potential buyers, that was the last chance to obtain Crown-encrusted tableware direct from the government. Items at present in use will simply be thrown away when the Union flag is lowered on 30 June. However it is a fair bet that the civil servants accustomed to taking their morning tea from chunky cups with a green royal seal will be ferrying the cups to their homes.

One of the most potent symbols of British rule are the old, red letter boxes. Some date back to the reign of George V. A job lot of boxes was eagerly snapped up by buyers such as restaurant owners.

The nostalgia vogue looks set to get more intense.

Angry Patten promises to fight US extradition ruling

Hong Kong — A United States judge has delivered a blow to the international credibility of Hong Kong's legal system which could open the door to a flood of suspects using the imminent Chinese takeover as a way of avoiding justice, **writes Stephen Vines.**

On Tuesday a Boston District Court judge refused to grant an extradition order for a suspect in a bribery and conspiracy case on grounds that the colony's legal system may not remain "sufficiently fair" following the end of British rule on 30 June.

Yesterday Chris Patten, the Governor of Hong Kong, said he was "literally amazed by the decision". The Government said it would mount "an urgent appeal" against the ruling. A statement issued by the colony's Legal Department said: "We are amazed that the district judge seems to have ignored completely the guarantees contained in the Sino-British Joint Declaration and the Basic Law [the territory's new mini-constitution] about the continuation of Hong Kong's common law system."

The American ruling opens the door to the so-called "1997 defence", now being used by a number of lawyers on behalf of fugitive Hong Kong clients who have argued that the independence of the judiciary would be diminished under Chinese rule.

Mr Patten maintained that the ruling was not a reflection of United States government policy but reflected the views of one judge. However it is far from clear whether the US will renew the existing extradition treaty with Britain once China takes over the colony.

The Boston case involves Jerry Lui, a former British-American Tobacco Company executive who faces 10 bribery and corruption charges. His lawyers have transformed the case into a human rights battle by gathering a mountain of evidence about the alleged end of Hong Kong's present judicial system after 30 June.

Sino-British agreements state that there will be no changes to the system. However, there are indications that these undertakings have been undermined. Nihal Jayawickrama, a professor of law at Hong Kong University, said controversy over breaches of these undertakings has created "fears about the independence of the judiciary".

He added that the American ruling "reflects a judge's perception that this accused person is not likely to get a fair trial if proceedings go beyond July 1". He believes that other judges might cite the American precedent in refusing to extradite suspects.

Dr Jayawickrama said few countries have extradition agreements with China because its legal system is "unacceptable to most countries".

Only a few Asian countries have concluded extradition agreements to come into force after 1 July. If more do not do so, Hong Kong is in danger of not securing the return of fugitives and becoming a haven for criminals wanted overseas.

Officers deny mercenary claim

Mary Dejevsky
Paris

Two senior officers formerly attached to the Elysée Palace have strongly denied claims that they were involved in recruiting mercenaries to support the regime of President Mobutu of Zaire, and said they were victims of "a manipulation" of the facts. They denied "any participation, direct or indirect, in any mercenary activity in Zaire".

Colonel Alain Le Caro, who headed the Presidential Security Service until 1994, said the allegations "call into question my honour and I ask myself who benefits from this manipulation." He said he had contacts with most West African heads of state, but that his work was mainly with "companies or individuals" doing business in Africa; he speculated that "those engaged in shady dealings" might have it in for him.

The other man named in *Le Monde's* report, Robert Montoya – a former member of the anti-terrorist unit at the Elysée – was quoted as saying during a stopover in Paris that he had "never set foot in Zaire" and that he only ever represented French companies in Africa. He said that he had his own security company based at Lomé in Togo.

There is no doubt that France's future role in Africa is now being seriously questioned behind the political scenes. For the second day this week, the pro-government newspaper, *Le Figaro*, published an article – this time by a specialist security consultant – arguing that France's 7,000-strong military presence in Africa was unsustainable and that it was time to "stop risking the lives of our soldiers in quarrels that do not concern us".

The writer was alluding to the killing of two French soldiers last week in Bangui, capital of the Central African Republic, which prompted reprisal raids by French troops, described by Paris as "a limited operation in legitimate self-defence". Yesterday the President, Jacques Chirac, defended the Bangui operation in the face of widespread criticism – including, reportedly, from some in the military. The Defence Ministry also took the opportunity to repeat its denials of any involvement in military operations in Zaire, mercenary or otherwise. But a ministry source also said: "If I was in President Mobutu's place, I would be recruiting mercenaries wherever I could find them. But this is not a French problem and has nothing to do with France."

In passing, he also admitted that France had given up on an international force for Zaire, saying that the bulk of French troops sent to the region had been withdrawn because the operation had been "abandoned".

Greeks and Turks raise fears of war

A steady deterioration in relations between Greece and Turkey is worrying Western governments, which fear that 1997 could be the year when long-simmering disputes in the eastern Mediterranean explode into war. Quarrels over territorial issues in the Aegean Sea and Cyprus have intensified in recent months and have acquired a sharper edge because of an arms race that is gathering pace in the region.

Matters were not improved last week when Christos Rozakis, a deputy Greek foreign minister who advocated dialogue with Turkey, was obliged to resign. The official reason for his departure was ill health, but the Greek press said that his moderate approach to Turkey had brought him into conflict with Theodoros Pangalos, the strong-minded Foreign Minister.

The rise in tensions is threatening to peak almost one year to the day that Greece and Turkey nearly went to war over the disputed ownership of a rocky islet in the Aegean. It was the second serious war scare in a decade, following a confrontation over mineral rights in the Aegean in 1987.

Despite the fact that Greece and Turkey are Nato allies and have not fought a war since the early 1920s, diplomats caution that this is no time for complacency. Costas Simitis, the Greek Prime Minister for the past year, appears to have abandoned hopes of making a fresh start to Greek-Turkish relations, while Turkey's Islamist Prime Minister, Necmettin Erbakan, has deliberately distanced his country from its traditional Western allies. According to a high-ranking minister in one Nato government, the main source of tension continues to be possession of islands in the Aegean. "There is Greek concern that the Turks are raising claims to Greek islands in the Aegean. The Turks haven't explicitly said that they have or they haven't," he said.

Greece's Defence Minister, Akis Tsochadzopoulos, pulled no punches last Tuesday when he openly accused Turkey of planning a war in the Aegean. "From 1995 the Turkish armed forces have established as a national interest the change of borders in the Aegean Sea, and they are preparing militarily in this direction," he said.

From Turkey's point of view, Greece bears responsibility for the highly charged atmosphere because of its apparent efforts to alter the military balance in the eastern Mediterranean. First, Greece created a common air defence area with the Greek Cypriot-controlled south of Cyprus, and then it encouraged the Greek Cypriots to buy a Russian surface-to-air missile system.

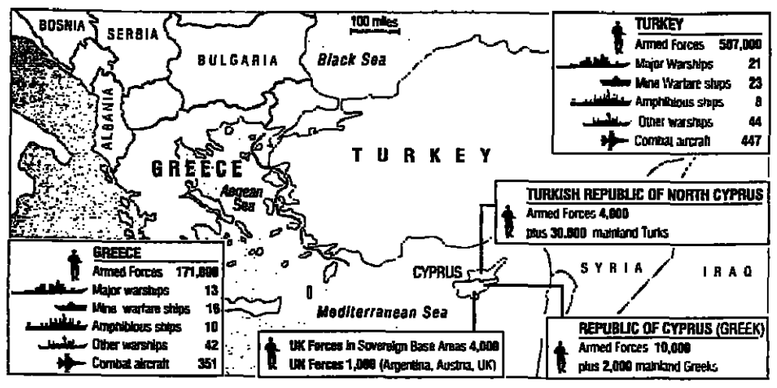
Moreover, Mr Simitis announced a huge modernisation programme last November for the Greek armed forces, including plans to buy 400 tanks, 60 fighter-planes, two submarines, an unspecified number of helicopters and air-defence systems. It will cost 4,000bn drachmas (£9.64bn) over the next 10 years.

The Russian missile deal for Cyprus aroused criticisms from the US and British governments, which say the island is already one of the most over-militarised places on earth.

However, commentators in Greece accused the US and Britain of hypocrisy and of ignoring Turkey's support for a rogue Turkish Cypriot state in northern Cyprus.

For its part, Turkey, which keeps 30,000 troops in the north, warned that it would not tolerate any changes to the regional military balance.

In an effort to calm the atmosphere, a senior US diplomat, Carey Cavanaugh, will visit Cyprus this weekend and urge a reduction in the number of troops along the line dividing the Greek and Turkish Cypriot sectors. He will also urge Greece and Turkey to limit military overflights of the island.



Aegean disputes are alarming the West, reports **Tony Barber**

Black cold: A clean-up worker tugs on a vacuum hose he was using yesterday to suck in heavy oil spilt from the damaged Russian tanker *Nakhodka* at Mikuni, on the Sea of Japan. It is estimated that nearly 4,000 tons of oil have escaped from the tanker since it broke up in heavy seas last Friday Photograph: Eriko Sugita/Reuters

Yeltsin ill with pneumonia

Dave Carpenter
Associated Press

Moscow — The Russian President, Boris Yeltsin, will be detained at a hospital in Moscow for several days after developing the first signs of pneumonia, his press service said yesterday.

Doctors decided to hospitalise the 65-year-old president, who underwent quintuple heart bypass surgery two months ago, for several days after a routine evening examination. The medics wanted to "confirm the diagnosis and administer proper treatment," the press service added. The brief report gave no further details.

There was no other immediate indication of the severity of the illness. But the news raised new questions about Yeltsin's health after he had seemingly been making a strong recovery from his 5 November operation.

A duty officer for the press service declined to say whether Yeltsin already had been transferred to the Central Clinical Hospital, also known as the Kremlin hospital, on the outskirts of Moscow.

Mr Yeltsin cancelled several meetings on Monday and headed to his country home outside Moscow. Aides said he had caught flu. Yeltsin's ailment came only two weeks after he returned to full-time work. He had been largely sidelined for six months due to his heart problems.

Mr Yeltsin's heart surgeon, Dr Renat Akchurin, said yesterday that the President had a common cold and that the illness was unrelated to his surgery.

He said it was best for heart bypass patients to avoid any illness in the months immediately following surgery, but "the President's cold is hardly likely to cause complications."

A phone call to Akchurin's home after the announcement went unanswered on Tuesday night.

Pneumonia is an inflammation of the lungs caused by bacteria or viruses and can be potentially life-threatening if not detected and treated early.

The Kremlin said this week that several other members of Yeltsin's family also have come down with colds recently, including his wife Naina and one of his grandsons.

significant shorts

Germans would vote against euro

Nearly three out of four Germans want a referendum on monetary union, and the majority would vote against it, according to a poll to be published today by the weekly *Die Woche*.

The survey, carried out by the Forsa institute, found that 56 per cent of those asked were against the introduction of the euro on 1 January 1999, and 74 per cent thought the new currency would be less stable than the German mark.
Imre Karacs – Bonn

Paris mourns Mitterrand

A steady stream of people, red roses in hand, passed by number 9, avenue Frederic Le Play, in central Paris yesterday to commemorate the first anniversary of the death of the former French President François Mitterrand in the way his family had suggested.
Mr Mitterrand died in the elegant white building.
Mary Dejevsky – Paris

Gulf War row rages in US

A US presidential panel blasted the Pentagon for inadequately investigating sick Gulf War veterans. But it said the physical toll of severe stress may prove a more likely explanation than the nerve gas many soldiers blame. *AP – Washington*

Rocket attack sparks Israeli air raid

Israeli warplanes twice raided suspected Hizbollah guerrilla targets in south Lebanon last night after Katyusha rockets hit northern Israel, security sources said. The aircraft fired five rockets into Iqlim al-Toufah ridge, which is controlled by pro-Iranian Hizbollah. Hours earlier, one Israeli soldier was killed and four wounded in a clash with the guerrillas in Israel's south Lebanon occupation zone.
Reuters – Nabatiyeh, Lebanon

Doubts over right to die

Several US Supreme Court justices expressed doubts yesterday about the wisdom of granting terminally ill people a constitutional right to doctor-assisted suicide.

"You're asking us in effect to declare unconstitutional the laws of 50 states," Justice Anthony M Kennedy told a lawyer for doctors who challenged Washington state's ban on assisted suicide. *AP – Washington*

End for Tapie

France's Council of State yesterday rejected a bid by bankrupt businessman Bernard Tapie to retain his seat in the European Parliament. The council refused to lift a government decree removing him from the parliament, after a court declared him ineligible for public office on bankruptcy charges. *Reuters – Paris*

Spanish officer killed by ETA unit

Elizabeth Nash
Madrid

A Spanish military officer died yesterday after being shot outside his home in Madrid. Lieutenant-Colonel Jesus Agustin Cuesta, 49, was stepping out of his car 20m from his front door when a man and a woman opened fire.

Soon afterwards, an explosion at a nearby supermarket caused extensive damage and seriously wounded at least one person. The blast was consistent with the practice of Eta, the Basque separatist organisation, of destroying its getaway cars.

Hours earlier, Eta's political wing, Herri Batasuna (HB), had said more violence was imminent. HB's regional MP for Navarra region, Jaime Iribarren, warned of "an immediate future of great suffering that we don't desire in any way." But it was an inevitable consequence of continued "repressive measures". He urged ministers to talk to Eta prisoners and accept their demands to be moved from jails throughout Spain to those nearer home. Eta still holds a prison officer, Jose Ortega Lara, seized nearly a year ago in pursuit of this demand.

On Monday five rocket grenades went off at Madrid airport in an attack claimed by Eta. They caused little damage but the Interior Minister, Jaime Mayor Oreja, said he feared there would be a terrorist attack in Madrid early in the new year in response to recent police strikes against Eta.

Eta's last big attack in Madrid was in February, when Francisco Tomas y Valiente, a judge and former president of the constitutional court, was shot.

obituaries / gazette

Lord Mayhew

Christopher Mayhew was one of the liveliest spirits of his generation, the generation whose introduction to life was the Second World War and which was called upon to tackle the Cold War, the loss of empire, the rapid development of new methods of communication and the simultaneous revolution in social and domestic habits. Mayhew had a hand in all of these, as soldier, politician, publicist, broadcaster and devoted family man.

Coming from a conventional background, he showed from the first a taste for the unconventional and he had the means to indulge it. But the word "indulge" is misleading. Throughout his life, his actions were governed by a strict code of morality, which meant that personal advantage took second place to what he saw, sometimes controversially, as the public interest. This put a brake on his success in worldly terms.

With his exceptional abilities, a less scrupulous man could have scaled the heights of public life. As it was, although he had a distinguished career which included a short spell as a minister in the Labour government under Harold Wilson, he was for the most part confined to the foothills until his elevation to the House of Lords in 1981.

This was at the instance of (Sir) David Steel, then leader of the Liberal Party, which Mayhew had crossed the floor to join in 1974, after more than 30 years on the Labour benches in the House of Commons. At first his success as a politician had seemed assured. He took his seat as part of the Labour landslide in 1945, when Clement Attlee and his team got to grips with the social revolution which brought in the Welfare State.

As a former President of the Oxford Union, who had been adopted as a parliamentary candidate just before the war (in which he had meanwhile been singled out for service in the Special Operations Executive), Mayhew got off to a good start as Parliamentary Private Secretary to Herbert Morrison, one of Attlee's leading colleagues. And within a year, he was in office himself, as Under-Secretary (meaning junior minister) at the Foreign Office. Here his new master was Ernest Bevin, whose worth Churchill had recognised across what for two less remarkable men might have been an impossibly wide social gulf, and who now won affection as well as fame as Foreign Secretary.

Even more than the rest of the Government, with its crowded schedule of domestic business, the Foreign Office was confronted also by the need to handle as successfully as possible Britain's declining role in the world and, in particular, to negotiate her withdrawal from parts of the old empire where her supremacy no longer made sense.

One of these, although strictly speaking never a part of the empire, was Palestine, with whose future both Bevin and Mayhew now became closely concerned. Bevin's attempt to navigate even-handedly between the claims of the immigrant Jews and those of the indigenous Palestinians, was shipwrecked by the opposition of the United States, under strong Zionist pressure.

Mayhew remembered vividly for the rest of his life the virtual ultimatum presented through him to the British government by the American Ambassador, Lew Douglas, for the immediate admission of 100,000 Jews into Palestine. In his autobiography, *Time to Explain* (1987), Mayhew recalls that when he objected that this would provoke a war, the Ambassador

> then replied, deliberately, that the President [Truman] wished it to be known that if we could help him over this it would enable our friends in Washington to get our Marshall Aid appropriation through Congress. In other words, we must do as the Zionists wished – or starve. Bevin surrendered – he had to – but he was understandably bitter and angry.

During his time at the Foreign Office, Mayhew supervised the creation of an unobtrusive bureau to fight the ideological battles which were an important part of the Cold War which was now developing. Called the Information Research Department, its usefulness in the campaign against what Mayhew called "Communist imperialism" was called into question when it emerged that among its staff was a young diplomat with apparently excellent credentials named Guy Burgess. After catching him red-handed going through his desk, Mayhew sacked him; but it was only many years later that the scale of his treachery came finally to light.

Labour's spell of glory was short-lived and there followed a long period in opposition. At first, having lost his own seat in the election of 1950, Christopher Mayhew decided to give himself a break from politics. During a spell at the United Nations while he was still with the Foreign Office, he had sketched out an idea for a play and this he now submitted to the BBC for consideration in its new television service. The play had a Cold War theme and its central character was a Soviet delegate to the UN who was considering defection in search of the freedom he could not find at home.

The BBC liked it and Mayhew envisaged a future as a television playwright. Two things prevented this; first, worn out and disappointed, Ernie Bevin died and his constituency party invited Mayhew to replace him in the safe Labour seat of Woolwich East, which he was to represent for the next quarter of a century. And after the success of his television play he was offered a contract with the BBC, but in a field much closer to his own underlying interests, that of current affairs documentaries.

Mayhew recalled this part of his professional life with pleasure. It was a time of remarkable freedom in the BBC, where he worked closely with the redoubtable Grace Wyndham-Goldie throughout the 1950s and into the 1960s. He was given a very free hand in the choice of subjects, but kept firmly in line as far as matters of presentation were concerned by Wyndham-Goldie, of whom he later recalled, "I think we both enjoyed it, though we were both difficult to work with, argumentative and demanding, sure that we knew best, determined to have our own way."

His position was in one way unique: as a Labour politician he had for the time being a virtual monopoly of current affairs coverage on the BBC. There was as yet no *Panorama*, no *Newsnight*, no commercial television – against whose introduction Mayhew campaigned vigorously but without success. But in 1964 politics reclaimed his full attention when Harold Wilson led the Labour Party back into office and appointed Mayhew as Navy Minister under Denis Healey as Minister of Defence. It was a disappointment to Mayhew, who had hoped to get back into foreign affairs as Deputy Foreign Minister. He always believed that Wilson kept him out of the Foreign Office because of his growing involvement with the cause of the Palestinians, one which was to become his chief preoccupation in the last stage of his life.

This of course was not yet; but his effective political career was behind him. After only two years he resigned as Navy Minister over the technical question of what to include in the defence cuts agreed by Wilson's government. Thereafter, until he went over to the Liberals in 1974, he pursued a number of interests inside and outside the House of Commons, notably mental health (he was for some years the President of Mind, the National Association for Mental Health), and with two or three other bold spirits confronted the vociferous Zionist lobby in Parliament.

His defection to the Liberals cost him his seat at Woolwich, and when he stood at Bath in October 1974 he was defeated. He now turned much of his energy and fighting spirit to the battle being fought with growing intensity between the supporters of Israel and of the Palestinians, which in the 1970s was the most emotive battleground in the media and at British universities, together with that of apartheid in South Africa, with which it was closely linked in the public mind.

With his experience at the Foreign Office and the United Nations, as well as in current affairs broadcasting, Mayhew was a central figure in the battle. One enterprising initiative of his was the establishment of the news magazine *Middle East International*, which he launched in 1970 and turned into one of the best-informed journals of current Middle East affairs, and of which he remained the President until his death.

Christopher Mayhew was someone who lifted the atmosphere of any room he entered, an optimist, whose sunny good-nature survived all the conflicts and uncertainties of a life shared between politics and the media. He wrote several books, mostly about politics and one about the politics of the Middle East, and all informed by the same combination of vigorous argument and unfailing good-humour. Perhaps the surest source of his love of life was a family life of undisturbed happiness, with his wife Cicely, whom he met when she was one of the very few women in the foreign service, and to whom he was married for nearly 50 years.

Michael Adams

Christopher Paget Mayhew, politician, broadcaster and writer: born 12 June 1915; MP (Labour) for South Norfolk 1945-50, for Woolwich East (later Greenwich, Woolwich East) 1951-74; PPS to the Lord President of the Council 1945-46; Parliamentary Under-Secretary of State for Foreign Affairs 1946-50; Minister of Defence (RN) 1964-66; MP (Liberal) Greenwich, Woolwich East 1974; created 1981 Baron Mayhew; married 1949 Cicely Ludlam (two sons, two daughters); died London 7 January 1997.

An optimist whose sunny good-nature survived the uncertainties of politics: Mayhew in 1955

Martin Holmes

Holmes bearing replicas of the Crown Jewels – the St Edward's Crown (left) and the Imperial State Crown – for an exhibition of works from British museums in Copenhagen, 1957 Photograph: Hulton Getty

Martin Holmes was one of the great servants of the London Museum, where he worked from 1932 until he retired in 1965, with an interruption for service in the Second World War.

He was chosen by Mortimer Wheeler as a temporary shorthand typist in 1932. From being Wheeler's secretary, he became an assistant keeper when the London Museum was still housed in Lancaster (formerly Stafford) House, on the edge of St James's Park, the lease of which had been the gift of Sir William Lever, first Viscount Leverhulme. That lease expired in 1940. Holmes never ceased to deplore the refusal of the Foreign Office, who were allowed to use the house for entertaining, to relinquish its hold which he considered to be illegal. He also thought it contrary to the wishes of Lord Leverhulme.

Holmes's curatorial responsibilities were as numerous as they were varied. Robes of state, arms and armour, bellarmines, the topography of Elizabethan and Stuart London, "all commanded his interest and extraordinary knowledge, which he constantly purveyed to wondering colleagues without ever a hint of superiority and with an endearing blend of enthusiastic delight and sometimes Rabelaisian wit," his former colleague Francis Sheppard recalls in *The Treasury of London's Past* (1991). "A very considerable scholar indeed," Sheppard writes, "he was one who never used the museum to further his own career."

"Much too kind to me," demurred Holmes, but it was no exaggeration. He was the anchorman, always at hand, adjutant to Wheeler's commanding officer. He had a deep and lasting interest in Shakespeare and the Elizabethan theatre. He was entrusted with enlarging the museum's theatrical collection and with the exhibition to mark the centenary of Sir Henry Irving in 1938.

Aware of the threat of war, Wheeler and Holmes had laid their plans for the evacuation of the collections. The work fell to Holmes and to Arthur Trotman, appointed as a "boy learner" aged 14 in 1936. Within two weeks of the declaration of war on 3 September 1939, all had been completed.

With the same foresight, Holmes had enlisted, as a private, in his local territorial unit, Princess Louise's Kensington Regiment. He ended the war as a major and worked in the personnel department of the Intelligence Corps, to which the brilliant young actor Stephen Haggard, author of *I'll Go To Bed at Noon* (1944), was attached in Cairo. Haggard's death on 25 February 1943 has been widely held to have been suicide. From the post-mortem report, Holmes remained convinced that Haggard had been assassinated.

Returning to the London Museum, then temporarily housed in Kensington Palace, Holmes published, with Major-General H.D.W. Sitwell, *The English Regalia* (1953): "I always said that he was the principal authority on the jewels and he said I was." When told of the new display in the Tower of London in 1994, Holmes observed, "As a former museum official I am always keen on methods of display and I have heard that the new setting is excellent."

From the start, Queen Mary had encouraged the London Museum. Through her informal visits Holmes had become, in Sheppard's words, "an expert in the niceties of courtly conduct" and later enjoyed her "personal confidence and esteem". The first Lord Esher recorded an early visit of Queen Mary to Kensington Palace, six years after her marriage to the future King George V, in May 1899. He considered that "her exceptional memory and intelligence" would make her "a woman of much importance one day". Fifty-three years later Queen Mary was to take her granddaughter Queen Elizabeth II to look at the royal robes in anticipation of her Coronation. As Holmes put it concisely, "She doesn't suppose, she knows." Queen Mary repaid his compliment. She bequeathed him a Sèvres chestnut basket.

In addition to his deep knowledge of Shakespeare, once identifying as being from *Timon of Athens* a quotation which had defeated two Oxford dons, Holmes was also a playwright. He proudly recalled the occasion when what he had written had caused a tear to drop from Queen Mary's eye, with the lines from the garden scene in *Richard II*:

> Here did she fall a tear; here in this place
> I'll set a bank of rue, sour herb of grace.

Holmes was the first to recognise, when it appeared on the art market, that the subject of the copper engraving, the work of Franciscus Hogenberg, on the back of the oil painting *The Tower of Babel* by Marten van Valckenborg, was of Moorfields in London. The copperplate was acquired by the London Museum in 1962 for £1,250, and from it resulted the exhibitions "Moorfields in 1559" and "Elizabethan Maps of London". After Holmes's retirement in 1965, the London Museum united with the Guildhall Museum to become the Museum of London in new quarters in the Barbican, opened in 1976.

Martin Holmes settled in retirement into Castle Bank in Appleby, which had been his mother's family home since 1724. His devotion to Appleby was marked by his leading part in the campaign to retain the county name, Appleby-in-Westmorland, when his county was subsumed into "Cumbria". He was elected a borough councillor in October 1965, an office which he held for 25 years, serving also three times as Mayor of Appleby (in 1975, 1983 and 1984). The town's motto, "Retain your loyalty, preserve your rights", might have been his. He was revered locally, advising and warning, but he didn't believe in "backseat driving".

Surrounded by his arms and armour, and his books, in which he was adept at laying his hands on references and information, he arranged an excellent exhibition in Appleby of his father's paintings and watercolours in 1980. Sir Charles Holmes had been Director of the National Portrait Gallery from 1909 to 1916, and of the National Gallery from 1916 to 1928. His mother, Florence Hill Rivington, was a violinist and composer. From Westminster, where he was a classical scholar, Holmes went up to Christ Church, Oxford, from 1924 to 1927.

Like his father, and maternal grandfather, he was a Fellow of the Society of Antiquaries, having been elected in 1935. Never at a loss for an apposite quotation, over lunch at the Royal Oak in Bongate, that part of Appleby where his forebears had lived in the 16th century, he quoted Lovelace: "Fishes that tipple in the deep, / Know no such liberty". That quotation he capped with one from Abraham Cowley's *Anacreontics*. Even those who prided themselves on their knowledge of English literature were outclassed by Martin Holmes, but he never dwelt on his antecedents or showed any pride in his sense of place, real and natural though it was.

A bad fire damaged a wing of Castle Bank last March. Although his books and papers were destroyed, Holmes withstood the loss well. His housekeeper called him "a pragmatic man". Fittingly, for Appleby and the Eden valley, with their ancient links with the Clifford family, Holmes published a sympathetic and valuable study, *Proud Northern Lady: Lady Anne Clifford 1590-1676* (1975). The motto from *Cymbeline* which he chose for the last chapter might be his own epitaph:

> Thou thy worldly task has done:
> Home art gone, and ta'en thy wages.

Ian Lowe

Martin Jasper Rivington Holmes, museum curator and antiquary: born London 12 May 1905; died Appleby-in-Westmorland 4 January 1997.

Births, Marriages & Deaths

DEATHS

BRITTEN: Brigadier George Vallette, husband of Shirley and father of Donard, Stewart and Neville. Died suddenly at home on Sunday 5 January 1997. Funeral service at St Luke's Church, Eardley Road, Sevenoaks, on Friday 17 January at 2pm. No flowers please. Enquiries to Welham Jones Funeral Directors, telephone 01732 742400.

PISK: Liz, of Trencrom, Cornwall, peacefully on 6 January at the Edward Hain Hospital, St Ives. Funeral at 2.40pm on Tuesday 14 January at Penmount Crematorium, Truro. No flowers, but donations, if desired, to St Michael's Hospital, Hayle, c/o the Funeral Director, W.J. Winn, 69 Fore Street, Hayle, TR27 4DX.

SWINBANK: Leonard Marsh, on 4 January, peacefully and at home in Abingdon. Dearly loved husband to Joan, father of Mark, Bill and Robin, and grandfather to three granddaughters. Service to be held at Dry Sandford Parish Church, on Monday 13 January, to be followed by private cremation. Family flowers only, donations if preferred to the Parkinson's Disease Society (telephone 0171-383 3513). Enquiries regarding the funeral service to P.L. Barrett Funeral Directors on 01235 520808.

Announcements for Gazette BIRTHS, MARRIAGES & DEATHS (Births, Adoptions, Marriages, Deaths, Memorial services, Wedding anniversaries, In Memoriam) should be sent in writing to the Gazette Editor, The Independent, 1 Canada Square, Canary Wharf, London E14 5DL, telephoned to 0171-293 2011 (24-hour answering machine 0171-293 2012) or faxed to 0171-293 2010, and are charged at £6.50 a line (VAT extra).

Lectures

National Gallery: Alexander Sturgis, "Paintings from Copenhagen (ii): Cranach", 1pm.

British Museum: Shelby Mandani, "Tales and Epics: inspiration for Japanese art", 1.15pm.

Tate Gallery: Alex Cooke, "The Expressionist Paradise, Lost or Found? Kirchner, Schmidt-Rottluff and Jawlensky", 1pm.

National Portrait Gallery: Richard Hallas, "The Art of the Picture Frame: frame conservation at the National Portrait Gallery", 1.10pm.

Birthdays

Major Derek Allhusen, farmer and Olympic equestrian, 83; Sir John Alliott, High Court judge, 65; Dame Elizabeth Anson (Lady Anson), chairman, Association of District Councils of England and Wales, 66; Miss Joan Baez, singer, 56; Mr Hugh Bayley MP, 45; Miss Mary Bennett, former Principal, St Hilda's, Oxford, 84; Mr Paul Bergne, former ambassador to Uzbekistan and Tajikistan, 60; Sir Rudolf Bing, founder of the Edinburgh Festival, 95; Mr Ken Brown, golfer, 40; Sir John Buckley, former chairman, Davy Corporation, 84; Mrs Christine Crawley, MEP, 47; Mr Clive Dunn, actor and comedian, 75; Sir Tony Durant MP, 69; Sir Graham Eyre QC, a Recorder of the Crown Court, 66; Mr Graham Fletcher, showjumper, 46; Mr Michael Gifford, managing director and chief executive, Rank Organisation, 61; Father Benedict Green, theologian, 73; Mr Terry Hands, theatre and opera director, 56; Mr David Holbrook, author, 74; Mr Leslie Holliday, chairman, John Laing Construction, 76; Mr Raymond Horrocks, chairman, Chloride Group, 67; Professor Sir Alec Jeffreys, Wolfson Research Professor of the Royal Society, Leicester University, 47; Sir Michael Jenkins, former ambassador to the Netherlands, 61; Mr Simon Jervis, Director, Fitzwilliam Museum, Cambridge, 54; Mr Herbert Lom, actor, 80; Mr Michael Nicholson, television newscaster and reporter, 60; Sir Harry Ognall QC, High Court judge, 63; Miss Joely Richardson, actress, 32; Mr David Smith, cricketer, 41; Viscount Ullswater, former government minister, 55; Mr David Walker, High Commissioner to Bangladesh, 57; The Right Rev Francis West, former Bishop Suffragan of Taunton, 88; Mr Geoffrey Wragg, racehorse trainer, 67; Miss Susannah York, actress, 55.

Anniversaries

Births: Pope Gregory XV, 1554; Georg Draud (Draudius), pastor and bibliographer, 1573; Simon Vouet, painter, 1590; Andrew Michael Ramsay (Chevalier Ramsay), writer, 1686; John Jervis, Earl of St Vincent, admiral, 1735; Gilbert Abbott A. Beckett, comic writer and playwright, 1811; William Jackson, organist and composer, 1816; William Powell Frith, painter, 1819; Carrie Chapman Catt (Lane), suffragette, 1859; Charles Kortright, cricketer, 1871; Chaim Nahman Bialik, poet, 1873; John Broadus Watson, psychologist, 1878; Lascelles Abercrombie, poet and critic, 1881; Wolfgang Kohler, psychologist, 1887; Dr Karel Capek, playwright, 1890; Kurt Tucholsky, author and poet, 1890; Dame Gracie Fields (Grace Stansfield), singer and actress, 1898; Richard Halliburton, writer and traveller, 1900; George Balanchine, choreographer, 1904; Simone-Lucie Ernestine-Marie de Beauvoir, novelist and critic, 1908; Richard Milhous Nixon, 37th US President, 1913; Gypsy Rose Lee (Rose Louise Hovick), actress and strip-tease artist, 1914. **Deaths:** Bernard Le Bovier, Sieur de Fontenelle, writer and philosopher, 1757; Caroline Lucretia Herschel, astronomer, 1848; Napoleon III (Louis-Napoleon), emperor, in exile, 1873; Wilhelm Busch, cartoonist, 1908; Katherine Mansfield (Beauchamp) (Kathleen Middleton Murry), author, 1923; Karl Mannheim, sociologist, 1947; Waldo David Frank, novelist, 1967; Pierre Fresnay (Pierre Laudenbach), actor, 1975; Sir Charles Curran, Director-General of the BBC, 1980; Sir Frederick Gibberd, architect, 1984; Sir Robert Mayer, musical philanthropist, 1985. **On this day:** the Peace of Jassy was signed between Russia and Turkey, 1792; Jean-Pierre Blanchard, aeronaut, made the first balloon ascent in America, near Woodbury, New Jersey, 1793; income tax was introduced in Britain by William Pitt the Younger, the rate being two shillings in the pound, 1799; John Thurtell was hanged at Hertford for the murder of William Weare – his accomplice Joseph Hunt was transported to Botany Bay, 1824; on the death of Victor Emmanuel, Humbert I became King of Italy, 1878; Spain proclaimed a protectorate over Spanish Guinea, 1885; the last of Admiral Koltchak's White Russian troops surrendered to the Bolsheviks, 1920; Edith Thompson and Frederick Bywaters were hanged for murder, 1923; the Reichstag building, rebuilt after the fire in 1933, was opened by Hitler in Berlin, 1939; after the Union Castle liner Dunbar Castle hit a mine, 152 people died, 1940; US troops landed in Luzon in the Philippines, 1945; Anthony Eden resigned as Prime Minister, 1957; the De Havilland Trident aircraft made its maiden flight, 1962; the first trial flight of Concorde took place, Bristol, 1969; in Hong Kong harbour, the liner Queen Elizabeth was destroyed by fire, 1972; in Britain, 280,000 coalminers took part in a strike, 1972; Swan and Edgar, the Piccadilly department store, closed permanently, 1982. **Today** is the Feast Day of St Berhtwald of Canterbury, Saints Julian and Basilissa, St Marciana of Rusuccur, St Peter of Sebastea and St Waningus or Vaneng.

Luncheons

Manchester Consular Association
Mr Richard Leese, Leader of Manchester City Council, was the principal guest at the AGM luncheon of the Manchester Consular Association held yesterday at Manchester Town Hall. Mr Ernst Keller, outgoing President, installed Mr Robert Burnett-Hughes as the new President. Mr David Fox, Secretary and Mr Brian Carroll, Treasurer, welcomed the guests.

Appointments

Sir William (Liam) McCollum QC, to be a Lord Justice of Appeal in Northern Ireland.

Sir Timothy Garden, to be Director of the Royal Institute of International Affairs (Chatham House).

Mr I.D.S. Beer, to be Chairman of the Council of the Winston Churchill Memorial Trust.

Wills

Matthew Harding, of London SW20, the businessman and Vice-Chairman of Chelsea Football Club, left estate valued at £191,673,907 net.

Sir William Geoffrey Shakespeare Bt, of Stoke Mandeville, Buckinghamshire, Vice-President, Restricted Growth Association 1982-96, left estate valued at £154,739 net.

Sir Quinton Hazell, of Barford, Warwickshire, Chairman, Quinton Hazell Ltd 1946-73, left estate valued at £7,897,829 net.

John Barrie Andrews, of Gumley, Leicestershire, left estate valued at £2,079,545 net.

Ethel Marks, of London SW3, left estate valued at £2,104,953 net. She left her entire estate to the Maurice Marks Charitable Trust, London W1.

Margaret Blanche Lilley, of Goring on Thames, Berkshire, left estate valued at £2,292,908 net. She left £1,000 each to Goring Parish Church, the Friends Association of Dorchester Abbey, Oxfordshire, the National Trust, and the Council for the Preservation of Rural England.

ROYAL ENGAGEMENTS

The Princess Royal, President, Save the Children Fund, visits Save the Children Fund Shops in Windsor, Reading and Newbury, Berkshire.

Changing of the Guard
The Household Cavalry Mounted Regiment mounts the Queen's Life Guard at **Horse Guards**, 11am; 1st Battalion Scots Guards mounts the Queen's Guard, at **Buckingham Palace**, 11.30am, band provided by the Irish Guards.

A mockery of debate – but so is the Commons

A debate? It was a raucous, manipulated outrage. People were shouted down when they'd barely had time to open their mouths. Heartfelt sentiments were jeered. A precious national institution was kicked around like a football. Famous people such as Sir Bernard Ingham, used to being listened to in respectful silence, were insulted to their faces. People dressed up in silly clothes and yelled "Marxist" or "snob" at one another. Parliamentarians walked out in disgust. Few arguments were sustained for more than a few minutes, many for only a few-score seconds. It was a travesty of a serious exchange of views, characterised by abuse, smears, prejudice and thoughtlessness. It was then followed by a dodgy vote which cannot in any way be described as a fair record of the country's settled opinion.

And in all these ways, of course, Carlton's now-notorious debate was strongly reminiscent of an average afternoon in the Commons. Had the 3,000-strong Birmingham audience and some of the participants, we wondered, learnt their debating manners by paying close attention to Prime Minister's questions? Had the televising of Parliament coarsened the political mood of the country at large? The Commons, too, is characterised by interruptions, personalised attacks, jeering and caricatured arguments (only there, these things are sanctified by tradition).

In the Commons, too, people dress up in silly clothes from time to time. There, too, they libel one another as Marxists or cringing reactionaries, cheering their champions and talking down unpopular or minority voices. MPs have been known to leave the chamber, as well as television sets, out of boredom and disgust. And the voting in the Commons is also dodgy – though fixed by whips and MPs' ambitions, rather than by the vagaries of who happens to be watching television and the availability of telephone lines. There are even parallels to be d. .wn between Betty Boothroyd, the Speaker, and Trevor McDonald – two great national favourites, felt to be nicer than their surroundings, and doing a good line in long-suffering smiles.

It will be objected that the Commons, though it can also be a bear garden, does a lot of serious work and sandwiches those outbreaks of mutual abuse with substantial debates and speeches. But the same is true of television and broadcasting generally. The Carlton debate was a relatively rare eruption of coarse popular argument into a political medium still dominated by documentary filmed theses and *Newsnight*-style discussions between just the sort of talking heads who were most outraged by the Birmingham booers.

The Carlton debate may, however, be a sign of things to come, one among a number of more aggressive television incursions into politics. And to understand why, we need to concentrate now on the differences between the Commons and the Birmingham event, as well as the similarities between them.

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First, the Carlton debate was watched by some 10 million people and involved as voters up to 2.6 million. Those figures, as well as the 3,000 direct participants, dwarf what Parliament manages for any sustained period. Second, though, and more important: why? Because the TV debate and telephone plebiscite was on a subject that the Commons never addresses: the future of the monarchy. This is not considered acceptable fare for our legislators and elected tribunes. Unsurprising, perhaps: they are working in a palace replete with reminders of monarchical power. MPs are generally a pretty conservative lot. When old Tony Benn rises from time to time to make republican arguments, or when a rare Labour backbencher dares to question the cost of monarchy, embarrassment and anger flicker round the chamber. It is off limits: what is interesting to the people is not discussable by their elected representatives.

Were the monarchy the only subject which this applied to, then we would shake our heads and pass on. But the same is true of other things which touch the daily lives of the British. The criminal and medical plague of illegal drugs, and whether that would be worsened or rebuffed by legalisation, is another subject apparently beyond the serious attention of the Commons. (And by serious we mean prime-time, busy-House attention; for the occasional private member's debate, conducted in front of a single junior minister and a comatose colleague can hardly be considered "attention".) The environmental cost to this and future generations of the great car culture is another example. Broadcast violence is a third, overfishing of our seas a fourth, pornography a fifth. Then there are all the new, agonisingly difficult issues around human reproduction and medical advance, including euthanasia.

You are likelier to hear arguments and conversations about such questions in broadcasting studios than in Parliament. The Commons ought to be a cockpit of the national debate. But it isn't, really, so that debate takes place instead in television studios and between people selected by television researchers rather than selected by voters. Up to a point, this is an advance for democracy. We wouldn't want to invite Kilroy or even Mr McDonald directly into the legislative process – we all know that direct democracy, unmediated by hearings of evidence, proper arguments, detailed information and constitutional safeguards can become a kind of tyranny itself. Television is better at entertainment than at detailed scrutiny.

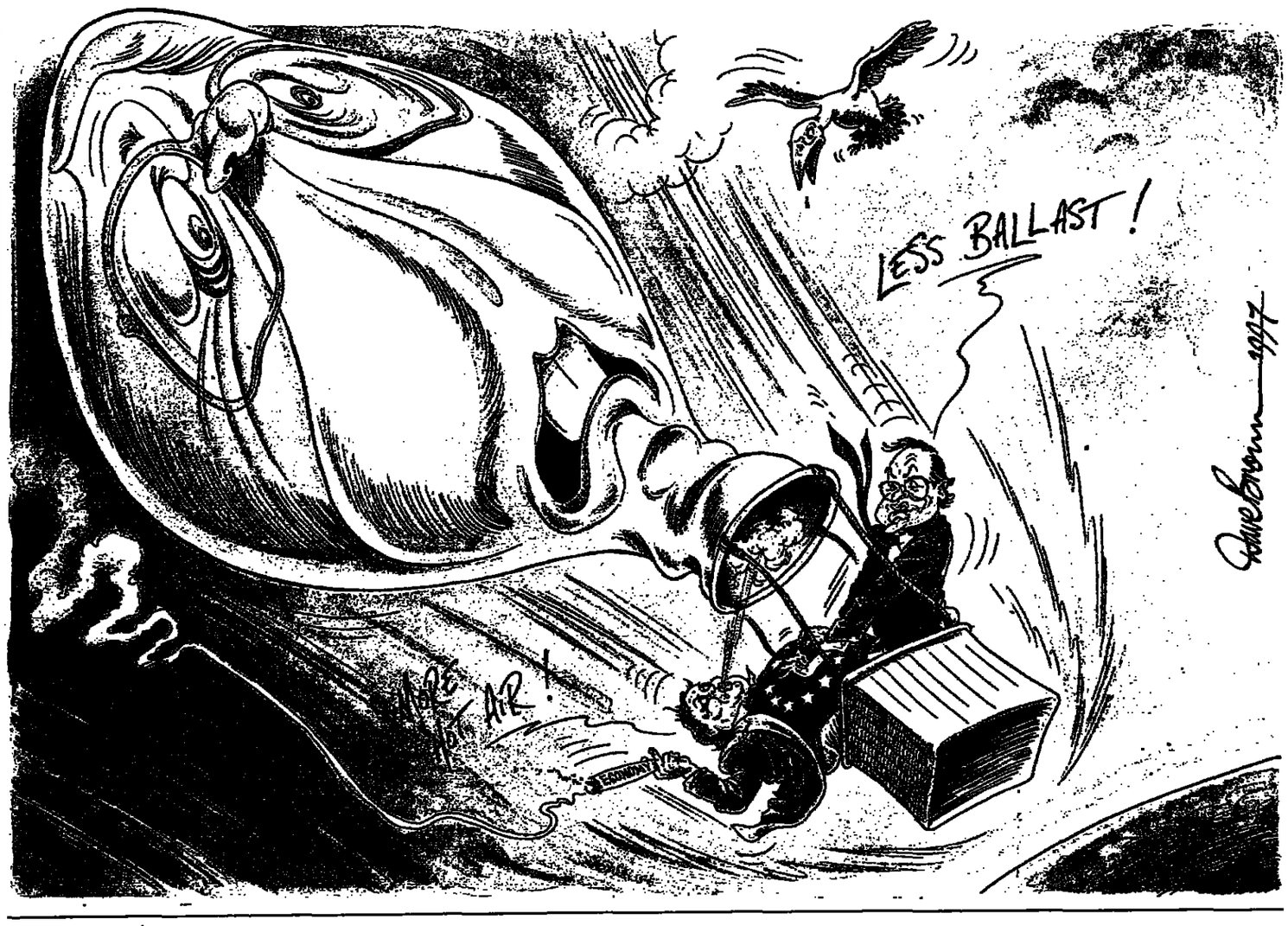
But sniffy commentators and MPs should reflect on this. One of the reasons so many people turned eagerly to listen to Carlton's debate was that the subject is so rarely confronted by them. For decades politicians have loftily declared the future of the monarchy to be "not a matter of debate". Well, they can hardly say so now.

Honey, the kids shrunk me

We report today scientific evidence (is there any other kind?) suggesting that women's brains shrink during pregnancy. Many women, unable to read a book in the final months, will think it explains a lot. So too, of course, will a few million smirking husbands.

But they don't, in our experience, smirk for long. After pregnancy, women's brains return to their normal size. And then, as the nights blur into an epic of sleeplessness and infant wails, it tends to be the man, not the woman, who experiences organ shrinkage. Ain't nature a wonderful thing?

• LETTERS TO THE EDITOR •



The choice is wind power or selfishness

Sir: Duff Hart-Davis (article, 28 December) purports environmental interests. Yet he fails to appreciate the seriousness of environmental damage from fossil fuels and the way clean technology, such as wind power, has profound environmental benefits. His condemnation of the wind turbine at Nympsfield near Stroud is typical of the closed minds and selfish interests of deck-chair environmentalists.

Closed minds, because action is required to abate damaging chemical emissions from fossil fuel power stations and transport. Hart-Davis must state how he wants electricity to be produced for his own electric kettle. Is he willing to be jointly responsible for excessive carbon dioxide triggering ecological damage from changing weather and rising sea water? Is he happy that his kettle is responsible for acid rain damage to forests and rivers? Does he want expensive and risk-ridden nuclear-generated electricity?

Selfish interests, because he wishes his own view of visual scenery to dominate over all other considerations. He can be assured that no species of animal or plant shares his concern; visual impact is a solely human criterion. Healthy ecology, clean air and water, and maintenance of soil, are the major concerns. A quiet wind turbine, as at Nympsfield, is ecologically benign; sterilising only the 25 square metres of its base, it has no additional adverse effect on animals or plants (bird strikes are minimal; less than from a road vehicle). One such turbine will produce essential electricity for the local grid equal to the amount used annually by about 500 houses now, and about 1,000 future houses with energy efficiency.

Moreover, there are many people who see wind turbines as beautiful dynamic structures; examples of modern technology for sustainable development. I wish I could see one from my house.
Professor JOHN TWIDELL
Institute of Energy and Sustainable Development
De Montfort University
Leicester

Sir: Nicholas Schoon suggests that "the expansion of non-polluting energy resources needs to be intelligently subsidised" ("So this is global warming?", 4 January). I wonder if he has looked at the political folly called the Non-Fossil Fuel Obligation (NFFO), known in Scotland as the Scottish Renewables Obligation (SRO), both of which came into being as a knee-jerk response following the Rio Conference in 1992.

Under these schemes, consumers each pay a compulsory "renewables" levy on electricity bills. Operators of renewable-energy schemes, predominantly wind power stations, then apply for contracts to supply electricity to the National Grid.

Local authorities are being besieged with applications for the erection of wind power stations, usually in the loveliest countryside. Generally, these are for 25 or so turbine towers, reaching some 200-plus feet into the sky.

Wind is unpredictable. When it blows in sufficient strength, the state-of-the-art turbines, operating at about one-third efficiency, create very small quantities of electricity which must be taken by the Grid, whether it needs it or not. Large-scale storage is impossible. Operators are paid about 4p per unit, guaranteed for 15 years. It is a goldmine.

The money would be better spent on domestic and industrial energy conservation, power station filtering, low-energy light bulbs, and loft insulation, all of which last for years and are silent and invisible.
JOHN CAMPBELL
Edinburgh

Sir: Full exploitation of the existing technologies for energy conservation, combined with renewable energy sources and minor changes in the way we organise our lives, could allow a reduction in greenhouse gas emissions of 50 per cent by the industrialised countries in 25 years.

Commitment to such reductions at this year's climate change conference is necessary if we are to persuade the countries now industrialising rapidly, such as China and India – both of which have huge resources of coal (high in carbon content) – to develop in ways which are less profligate of energy than the route we have followed in the past.

We should make freely available to developing countries the technologies for local manufacture of energy-efficient equipment and devices to exploit renewable energy. Such policies would also help to reduce the probability of conflicts over reducing stocks of oil.
MARTIN QUICK
Stroud, Gloucestershire

Sir: It is disturbing to find Michael Meacher (letter, 6 January) repeating predictions about the climate made 10 years ago which have turned out to have been incorrect. There is no scientific consensus that global warming has occurred as a result of CO_2 emissions, and the Intergovernmental Panel on Climate Change has itself backed down on its extreme predictions made in the early Nineties.

Recent research has established the following. Very accurate satellite measurements of the earth's temperature since 1979 have shown no warming but in fact a slight decrease. The oceans have the capacity to absorb 52 times the amount of CO_2 in the atmosphere, and the lifetime of atmosphere CO_2 is about five years. Variations in global temperature correlate very closely with aspects of sun-spot activity. Although the climate has warmed between 0.3 and 0.6 degrees C in the past 100 years, there has been little if any warming in the past 50 years, during which 70 per cent of the total anthropogenic greenhouse gases have been added to the atmosphere.
MICHAEL HIRD
Beaconsfield, Buckinghamshire

Sir: Greenhouse gas emissions appear set to create worldwide climate disruption, with extreme hot, cold, wet or dry meteorological events occurring ever more often.

But the term "global warming" gives an impression of a cosy drift to a more pleasant world where we will all enjoy tea on the lawn disturbed only by gentle breezes. It is no wonder that people do not "get the message".
TONY ROBSON
Cheltenham, Gloucestershire

Hooray for the honest beggar

Sir: If Tony Blair is serious about wanting to get homeless people off the streets ("Blair wants beggars off the streets", 2 January), the first place for him to start is to pledge that a Labour government will overturn the restrictions on Housing Benefit announced in the recent Budget. Without a pledge to prevent homelessness, Mr Blair's words are meaningless.

As for begging, it is important to distinguish between a minority who demand money with menaces and the majority who beg peacefully. Begging is an honest transaction, far more honest that, say, campaigning in a general election. No one forces you to part with your money, nor do beggars lie about hidden tax increases in order to get your support. Give me an honest beggar any day.
ANDY WINTER
Brighton

Sir: I first visited Barcelona in 1981 and, on emerging from a Metro station, was alarmed to be confronted by a beggar. I smiled smugly to myself and thought, "Well, we don't have that sort of thing in Britain."

I last visited Barcelona about two years ago and I cannot recall seeing any beggars at all. But when one visits London, one cannot walk 50 yards without coming across either a beggar or someone sleeping rough in a doorway.

What I have zero tolerance for is the decline in the values of this country that has led to the view that begging is acceptable or necessary. The situation will improve only when government accepts that it has some responsibility for our citizens who find themselves living as vagrants and cannot, on their own, find a way out.
JAMES R CADLE
High Wycombe, Buckinghamshire

A backward step for adoption

Sir: Your Legal Affairs Editor correctly reported that a possible reform of adoption law was driven by the Prime Minister's wish to curb the influence of social workers ("Adoption law to curb political correctness", 28 December).

It is also connected with the increasing privatisation of social work resulting in local authorities often being forced to use private agencies, many of which pay well below an acceptable minimum wage.

It is easy to criticise the "political correctness" of social workers, but they are subject to extremely stringent legal controls.

In relation to adoption law, it is not social workers who make orders but the courts. At all stages birth parents and relatives are fully involved. To seek to privatise this skilled and sensitive work because of a tiny number of reported cases is highly regrettable.

To return to the myriad private adoption agencies that used to exist may well result in a much less rigidly controlled system.
PHILIP J MEASURES
Correspondence Secretary
The Association of Professional Social Workers
Uttoxeter, Staffordshire

Private train firm does care

Sir: John Stanning's remarks about the Oxford train services (letter, 3 January) demand comment.

As managing director of Thames Trains, which provides most of the services between Oxford and London, I can say that we do care if customers do not feel they are getting a good service.

It is true that five years ago we were competing with modern bus services using a relatively free-flowing M40 and benefiting from a geography of Oxford that rather suits buses. We were using Fifties rolling stock. Some three years ago we acquired new trains and increased the frequency of the Oxford to London service, with corresponding increase in the patronage of the service.

We were privatised on 13 October last year, and over the next 18 months our customers will see express trains running every half-hour, rather than an hourly service between peak periods. They will also receive attention from better-trained staff, one of our commitments in the Franchise Agreement. We were improving the service before privatisation and we will build on the success already achieved.
ROGER McDONALD
Managing Director, Thames Trains
Reading, Berkshire

Build on legacy of Ronnie Scott

Sir: Much has been discussed about Ronnie Scott being a depressive and of his possible suicide, as though these are the inevitable corollaries of creative genius ("Jazzmen sound blue note at Scott's farewell", 8 January).

Unlike some of us, he fought against bureaucratic obstacles and cultural inertia and, in forming his jazz club, succeeded in bringing the unique talents of great American jazz musicians to these shores. His humorous cynicism developed more as self-protection.

When I formed the Bass Clef in 1984, Ronnie Scott's band opened it. Then, in 1994, I was faced with closure after battling against similar obstacles for 10 years. Ronnie was immediately helpful and supportive. In my case, the financial pressures were irreversible and Bass Clef and Tenor Clef were forced to close.

Now Ronnie has departed this world. One of the best ways to honour his memory is to ensure that his club and its Birmingham counterpart remain as centres of the Cinderella of the arts, jazz. All support should be given to Ronnie's partner in the club, Pete King, to continue this.

To all those involved in the arts who are now recognising the great contribution Ronnie made (and my thoughts go to those able to influence the National Lottery and the Arts Council): what are you going to do about it now he's gone?
PETER IND
Twickenham, Middlesex

Home truths

Sir: Dr Martin Preene (letter, 2 January) is right that the logic of the housing spin-doctors is flawed. With rising divorce and separation, limited mortgage repayments for the redundant and negative equity, clearly not all purchasers are leaving their homes for more expensive accommodation, at least not voluntarily.
Mrs P BOOTH
Sale, Cheshire

Worthy women

Sir: Many thousands of people, including old women, undertake the fundraising and other tasks that enable voluntary hospices to work with people whose diseases are no longer curable. What we need is an editorial about the achievements and challenges of providing hospice and palliative care services. What we get is your editorial (31 December) suggesting that undermining the honours system by ridicule is better than simple abolition, which would provoke a huge fuss about "recognising the public worth of some old woman who has devoted her life to hospices".
JEAN GAFFIN
Executive Director
National Council for Hospice and Specialist Palliative Care Services
London WC1

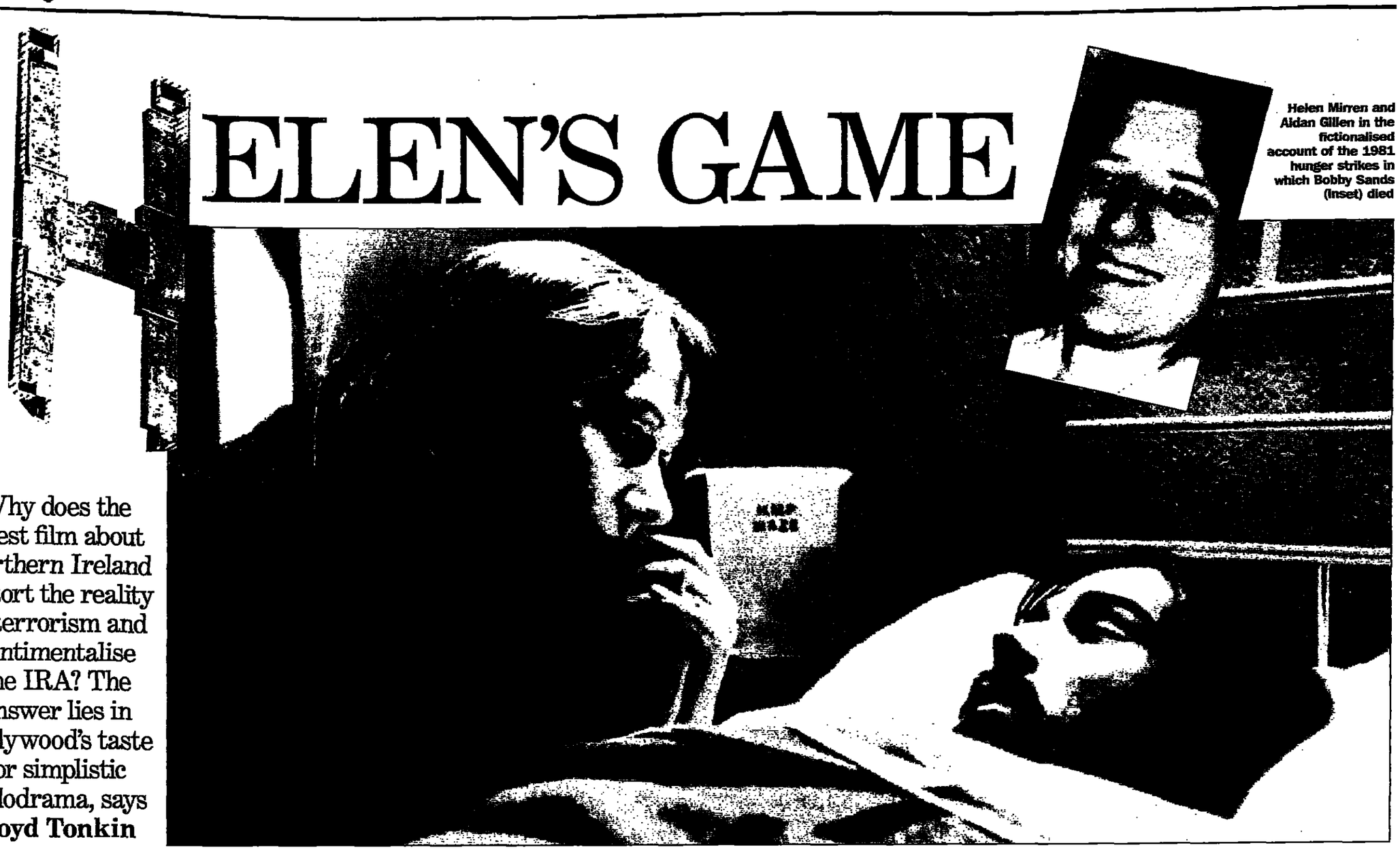
Muddled years

Sir: What a muddle about the millennium! (Leading article, 3 January.) Dionysius (not Dionysus) Exiguus lived in the sixth (not seventh) century; and, if Jesus was born in 4BC, the 2000th anniversary falls in 1997 (not 1996), since there is no year between 1BC and AD1.
NICOLAS WALTER
London N1

Post letters to Letters to the Editor, and include a daytime telephone number.
Fax: 0171-293 2056; e-mail: letters@independent.co.uk).
E-mail correspondents are asked to give a postal address. Letters may be edited for length and clarity.

analysis

ELEN'S GAME



Helen Mirren and Aidan Gillen in the fictionalised account of the 1981 hunger strikes in which Bobby Sands (inset) died

Why does the latest film about Northern Ireland distort the reality of terrorism and sentimentalise the IRA? The answer lies in Hollywood's taste for simplistic melodrama, says Boyd Tonkin

Almost a year ago, a couple of hundred yards from where I'm writing this article, the IRA murdered two ordinary Londoners. It probably never intended to kill the staff of a newsagent's shop and wreck their families' lives. But civilians who foolishly insist on working near so-called "prestige" or "Establishment" locations such as Canary Wharf had better take the consequences. So runs the iron-clad logic of the bombers. And any work of art that tries to grapple in a mature and realistic way with guerrilla warfare either has to face the truth about the suffering it causes, or else condemn itself to empty rhetoric and emotional dishonesty.

The Canary Wharf casualties – and thousands like them – will not have crossed the mind of the audiences whose votes made Terry George's *Some Mother's Son* the most popular movie shown at last summer's Edinburgh Film Festival.

The film, which opens in Britain tomorrow, stars Helen Mirren – who also co-produced it – in gritty downbeat mood as the non-political mother of a jailed IRA volunteer. She befriends the hard-line mother of another prisoner, and the pair are drawn into the murky backstage politics around the 1981 H-block hunger strikes. Ten IRA men died during the campaign of self-starvation after the British government toughened their prison regime. The first, Bobby Sands, had previously been elected from his cell as a Westminster MP.

Ironically, after all the unwarranted fuss about Neil Jordan's humane and politically complex epic *Michael Collins*, here comes a screen drama of Irish violence that really does want to sentimentalise the military wing of the republican movement.

The Belfast-born George, once an internee in the Maze himself, later became a New York magazine writer and co-scripted Jim Sheridan's *In the Name of the Father*. That film, as anyone who saw its BBC outing last weekend will know, deals with a shameful state conspiracy against blameless men and doesn't express a smidgeon of sympathy for the actual Guildford bombers.

Here, on the other hand, is a movie that merely shows an IRA active-service unit bloodlessly potting an army patrol from a safe, antiseptic distance.

The punter in the multiplex in Minneapolis or Melbourne would never know that attacks on "soft" civilian targets have formed a central plank of Provisional IRA strategy since 1971 or so. Save for a brief, farcical scene in an Orange pub, the film erases the existence of the Loyalist majority in the Six Counties.

It scrambles the historical record to the extent that a fictitious body called the "Unionist and Conservative Party" stands in Northern Ireland elections; meanwhile, a nationalist MP is described as holding "the balance of power" at a time when Margaret Thatcher commanded an overall majority of 43.

True, the film's tone gradually darkens and deepens. Mirren finds herself torn between flint-hearted militants in both the IRA and British intelligence, as Sands and the other hunger strikers sicken and slowly die. At one point, a platoon of cheery squaddies even saves her car from the rising tide when she gets stuck giving a friend a driving lesson on a beach.

A decent, old-fashioned gent from the diplomatic corps tries to broker a deal, while a snarling Thatcherite with estuary vowels sabotages his efforts. But one basic untruth disables *Some Mother's Son* as historical chronicle and as straightforward human drama. It shows, quite correctly, that British intelligence unleashed a dirty war against the IRA shortly after Mrs Thatcher came to power. It fails miserably to show the bloody and reckless campaign that provoked that reaction.

The film's focus on the hunger strike, with its aura of passive martyrdom, exactly reflects the IRA's priorities for international propaganda at the time. When Sands and his co-protesters – who had been stripped of privileges as part of a British strategy to hasten a showdown – attend a prison Mass clad in their beards and blankets, saccharine religious imagery swamps the screen. This is not political argument, but cloying emotional blackmail.

In contrast, the much-vilified *Michael Collins* turned its hero's rising doubts about the "mayhem" he deployed into the motor of its plot. It showed that Collins exerted a leverage way beyond his military strength because he targeted crucial British agents – but it let those agents appear as human beings too. And its broad historical sweep located Britain's Irish wars within a 700-year colonial history, rather than presenting them as an archetypal shoot-out between rival gangs of white hats and black hats.

For Terry George, the Brits will always wear the villain's headgear. But an Orange-tinted counterpart that switched these roles around wouldn't make for any better art. Miranda Richardson's hysterical IRA psychopath in *The Crying Game* doesn't get us any nearer to the truth than the ludicrous cartoon of an MI5 bovver boy who bullies Helen Mirren in *Some Mother's Son*.

For Main Street, USA, Ireland remains a free-fire zone of political fantasy

Why does this brand of sentimental melodrama disfigure most attempts to put the Northern Irish trauma on film? In other media, after all, the Troubles that began again in 1968 have spawned a generation of searching and clear-sighted artists who move beyond reflex tribal loyalties. From Tom Paulin's poems and essays to Frank McGuinness's plays, creative minds have sought and found a grown-up response to the anguish on their doorstep.

The answer, inevitably, has a lot to do with the tastes and beliefs of Irish America. Some sort of fatal synergy links the American refusal to face the reality of power and violence in Ireland with the infantile fairy-tales that pass for committed film-making in Hollywood.

Typically, *Some Mother's Son* has backing from a mainstream source in the US entertainment industry: Ted Turner's Castle Rock corporation. It would be good to know when Castle Rock plans to invest in a similar movie about one of the dozen undercover wars of torture and massacre that the US has waged in its own Latin American backyard. For Main Street, USA and its mass media, Ireland remains a free-fire zone of political fantasy and zero-cost wish-fulfilment.

The real objection to *Some Mother's Son* is not that it whitewashes a guerrilla movement that chooses to kill civilians when it deems fit. You could imagine a much more tough-minded propaganda film that did exactly that without insulting its viewers. It is that Terry George pretends to tell a slice of real history (the film begins with news footage of Thatcher quoting St Francis on the steps of 10 Downing Street in 1979) but then delivers a playground game of goodies and baddies. The fact that one IRA diehard, who thwarts and tricks Helen Mirren's character, turns out to be a wrong'un too doesn't mitigate that crudity.

It should be possible to make a film that justifies anti-state or anti-colonial warfare while avoiding this type of fraud. The great precedent here is the Italian director Gillo Pontecorvo's masterpiece, *The Battle of Algiers*, made in 1965.

Pontecorvo's savage and stringent portrayal of the war between French paras and the FLN in the Algiers casbah of the late Fifties has visibly affected every serious film about guerrilla violence since – from the work of Costa-Gavras and Francesco Rosi up to and including *Michael Collins*. We never really doubt that Algeria deserves its freedom from the racist idiocy of French rule. But neither does Pontecorvo ever shy away from the pain and horror that goal brings, as both sides twist a sickening ratchet of cruelty.

Pontecorvo's film throws a harsh light on the techniques that most clandestine rebel groups employ, however just their cause. Another gap that weakens *Some Mother's Son* and the Ulster thrillers that preceded it is their inability to show on screen how the IRA actually works. In part, this is down to understandable ignorance – after all, last year's Docklands and Manchester bombs wrong-footed the British security agencies, even after 25 years of infiltration. Mostly, though, it reflects a coy reluctance to display the reasoning that leads participants to use the bomb, the bullet and the baseball bat.

Instead, we eavesdrop on the usual sinister crew of Establishment insiders as they cook up provocations in the secret corridors of power – a feature that George's film shares with Ken Loach's *Hidden Agenda*. Of course, such spooks do exist. The worst they have contrived in Northern Ireland – especially during the crazy days of black propaganda and "PsyOps" in the mid-Seventies – probably exceeded anything that has so far reached the screen. But the glaring oversight that skews soft-centred "human" angles on the Irish war is that they tell us precious little about how today's IRA thinks and plans and acts. Without both sides of the equation in the frame, myths and gestures take control.

WB Yeats – who knew more than most about the "terrible beauty" of Irish republican revolt – once said that we make rhetoric out of our quarrel with others, but poetry out of our quarrel with ourselves. Recent movies with a modern Northern Irish setting have been strong on rhetoric, but desperately weak on poetry. Paradoxically, the best way to dramatise that quarrel with oneself that even ardent revolutionaries have might be to focus unconditionally (as *Michael Collins* did) on a committed warrior, not on some baffled onlooker caught up in the conflict.

That, at least, would flush the debate on political violence and its limits out into the open, rather than masking it in the evasive Irish mist that wafts through *Some Mother's Son*.

In fact, IRA protagonists have proved as rare as Ulster Catholics called Billy in the 50 years since James Mason's hunted gunman lurched through the film noir fog of Carol Reed's *Odd Man Out*. And, for insight and historical perspective, nothing in the Troubles cinema can match Margarethe von Trotta's portrait of the Baader-Meinhoff activist Gudrun Ensslin, in her 1981 film *The German Sisters*.

Von Trotta's original title means "the leaden time". As this week's attacks in Belfast show, the British state is still living through its own age of lead. But films that choose to shirk the messy truth can hardly claim to lift its burden on us all.

Films, The Tabloid, page 7

Croydon? Sorry, I was on another planet

Miles Kington

The most amazing case is taking place at the moment in the High Court, where, for the first time in British law, a defendant is offering an extra-terrestrial alibi as a defence. Drew Webster, 26, is accused of shoplifting in a store in Croydon but he claims that it is impossible as he was on Mars at the time.

Here is some of the intriguing testimony, given when Webster himself was on the stand.

Counsel: Your name is Drew Webster?
Webster: That is my name on Earth, yes.
Counsel: You have another name elsewhere?
Webster: Yes.
Counsel: Would you care to enlighten the court as to what it is?
Webster: Yes. On Mars I am known as Zick-Zack.
Counsel: Are you, indeed? Uncommon sort of name, isn't it?
Webster: Not on Mars.
Counsel: And why are you not called Drew Webster on Mars as you are here?
Webster: It is a difficult name for them to pronounce. They have trouble with Rs and Ws.
Counsel: Do they indeed? So what sort of names do they have on Mars, Mr Webster?
Webster: Mig-Mog, Tank-Top, Lib-Lab, Dim-Sum, Tick-Tock, Flip-Flop ...
Counsel: All double-barrelled names, are they, Mr Webster?
Webster: The ordinary people have double-barrelled names on Mars. Only the posh ones have single names.
Counsel: I see. Now, before we come to the subject of your alibi, perhaps you could tell the court what it is you do for a living?
Webster: Certainly. I am a Hugh Grant look-alike.
Judge: May I interrupt here for a moment? You may think me very out of touch, Mr Webster, but who is Hugh Grant and what exactly is a Hugh Grant look-alike?
Webster: Hugh Grant is a film star, M'lud. It would be very expensive to hire him for personal appearances. Luckily, I look a lot like him, so people hire me instead.
Judge: And when you turn up, do people think you are Hugh Grant?
Webster: No, M'lud.
Judge: Good. Because we might have you up for false pretences if they did.
Webster: When someone looking like Hugh Grant turns up to open a laundromat in Croydon, most people realise that it is not him. Film stars do not open laundromats in Croydon.
Judge: I see. Is there much money in this look-alike business?
Webster: While it lasts. Of course the risk is that I will stop looking like Hugh Grant.
Judge: Or that he will stop looking like you.
Webster: Indeed. By the way, M'lud, has anyone ever pointed out to you that you have a remarkable resemblance to the Duke of Edinburgh?
Judge: It has occasionally been suggested ...
Webster: Could be sitting on a gold mine, there, M'lud.
Judge: Could I? Hmmm ... Carry on, please.
Counsel: Now, Mr Webster, where were you on the afternoon of 17 July last year?
Webster: On Mars, sir.
Counsel: I see. And what were you doing on the planet Mars?
Webster: I was at a party.
Counsel: Oh – they have parties in the afternoon on Mars, do they?
Webster: No, sir. It wasn't afternoon on Mars. It was early evening. It was only afternoon in Croydon.
Counsel: May I ask if it was a good party, this party on Mars ?
Webster: All parties on Mars tend to be good.
Counsel: May I ask why?
Webster: Well, nobody has ever heard of Hugh Grant, for a start, so I don't get people coming up and asking me how Liz Hurley is, or how Divine is ...
Judge: How divine what is?
Counsel: My Lord, I don't think it would profit us to go too deeply into the matter of Miss Divine. It would not mean much to you.
Judge: You may well be right. The only Divine I ever met was a large cuddly Californian prostitute. Carry on!
Counsel: May I inquire how you got to Mars?
Webster: I was taken aboard a large spacecraft and whisked there.
Counsel: Quick journey to Mars, is it?
Webster: Travelling first-class, yes, sir.
Counsel: I see. And how many classes are there?
Webster: Eighty-six altogether. Mars is a very class-ridden society.
Judge: Very like the Duke of Edinburgh, you say?
Webster: I think so, M'lud.
Judge: Hmm ...Well, try this, then ... A maniac with a gun is no more dangerous than a maniac with a cricket bat! Recognise that?
Webster: The resemblance is breathtaking, M'lud.
Judge: Thank you. Carry on!

More of this disturbing trial tomorrow.

The man who would be president – until he's elected

Donald Macintyre

Major's campaign style won't wash here – the state of the party counts as much as the qualities of the man

The most interesting reply John Major gave at his press conference on Tuesday was that he would serve a full term if elected. Maybe that was wise. To contemplate departure at all is an admission of mortality. It nevertheless conflicts with gossip in the past that if he were to confound predictions and win, he would leave voluntarily in mid-term, perhaps once the millennium celebrations were complete. And didn't some of his most trusted campaigners during the 1995 leadership contest, hedging against a right-wing cabinet challenge, insist repeatedly that he would depart in plenty of time for a young pretender such as Michael Portillo to succeed him before the next general election?

But that isn't the point. Circumstances dictate that between now and polling day the Prime Minister cannot for one moment suggest that he might be replaced in mid-term. For it is he, rather than his party, whom the voters are explicitly being asked to endorse.

For all the Tory claims that their opponents are a one-man band, it is they who now offer up a single figure as their champion, their prize electoral asset. On Tuesday, Mr Major stood alone against a backdrop on which the word Conservative was nowhere to be seen. It was Tony Blair who sat flanked by a Cook-Brown-Prescott-Beckett quartet, all of whom spoke at yesterday's press conference. Unlike James Callaghan before he lost power, Mr Major is shown by the polls to be much less personally popular than his opponent. But like James Callaghan, he is significantly more popular than his party. And that is why Conservative Central Office has been prepared to sign up to the media construct of a presidential-style election campaign.

The 1979 parallel, or rather the reverse image of it, isn't an empty one. It is not just that Mr Callaghan was the most popular feature of his party (which was why he did what Mr Major has so far declined to do and vainly offered Margaret Thatcher a television debate). It was also that the seeds of the disintegration into which the party would fall within a year or so, had already been sown. To realise how fruitfully, you only have to have read the post-election diary entry in which a cheerful Tony Benn says how much he is looking forward to the freedom of opposition. This was a party in which a large faction was preparing, unencumbered by the distractions of government, to wage a life-and-soul struggle for its future. Sound familiar? It may even be that the modern Tories – as late-1970s Labour already were – are now in real, if not irrevocable, danger of splitting into two. John Major's special claim to wage a presidential campaign is that he is a relative rarity among senior Tories in not half-actively preparing, Tony Benn-style, for opposition.

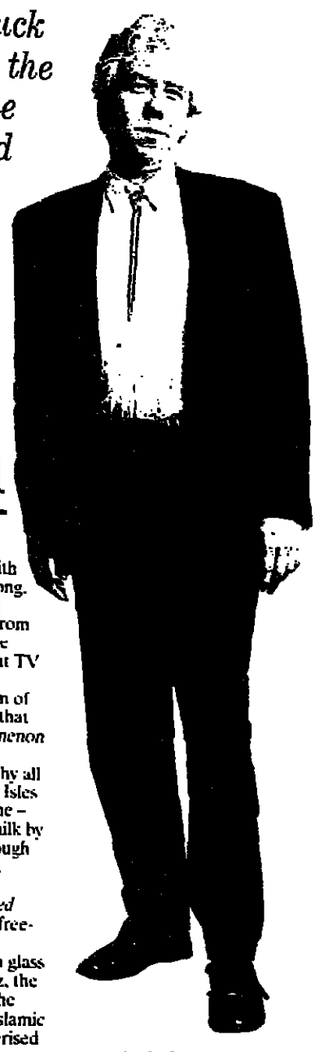
That isn't to say that Major won't be an effective campaigner. Or that there is any reason to doubt his own promise that he will be an enthusiastic one. His argument that it was Conservatism which was the author and executor of the programme of union reform and privatisation to which Labour now subscribes has a simple resonance. He may not be comfortable in defending the rights of hereditary peers, but he is dangerous in attacking Scottish home rule because he is genuinely, passionately, against it.

Blair scorched more earth yesterday by giving the clearest possible sign that no new personal taxes, including a new top rate, are any longer being considered. It is true that economic circumstances may yet require a first Labour budget to put taxes up. But precisely because that's just as likely of the Tories, they can make little or nothing of it. It nevertheless remains possible that Major can start to turn rapidly improving economic optimism into the vote winner the polls stubbornly suggest it has so far failed to be.

But in encouraging the argument – which is also seductive to intellectuals on the left – that Labour's programme isn't detailed enough, the Tories run up against another formidable 1979 precedent much studied by Blair. The Labour leader yesterday made education and reform of the welfare state his priorities. The assumption must be that money saved in social security reform will go primarily to education. Gordon Brown's hit last year on child benefit for middle-class parents of 16- to 18-year-olds hints that Labour may well be radical enough to dig deep into universal benefits for those who don't need them. But in not committing himself before the election, the Labour leader is doing more than following the copybook case of Margaret Thatcher in fighting on a manifesto that tells the truth but not the whole truth. Wasn't it Chris Patten, an architect of that manifesto who said prophetically in 1978 that "No opposition can expect to do the kind of elaborate analysis of future spending plans and possibilities which is possible for a government"?

The case of Callaghan's fall also suggests, to Major's disadvantage, the real and rather boring reason that the notion of a presidential campaign in the UK won't run. We don't have a presidential system here. Because the same party controls the legislature and the executive, the voters are electing the party as well as the leader to power when they put their crosses in the ballot box. The state of the party matters as much as the qualities of the man. It's true that Blair presides over a coalition of old and new guard, but so did Margaret Thatcher in 1979. And if he wins, like Thatcher's mainly loyal 1979 intake, the new Labour entrants, capturing fresh territory outside the party's heartlands for the first time in 20 years, will owe their arrival and continued survival to him. It is a paradox that Blair's achievement is not so much that he has projected himself as a national leader, but that he has at last turned Labour into the party most capable of leading.

The (bad) luck of the Irish, the delight of the Turkish and Barney we hate you (verses one and two)



john walsh

I spent the tail-end of Christmas in the west of Ireland, where the snow locks the flat fields in an iron embrace, everyone rides to hounds without the slightest concern over saboteurs or party policy, and the first thing you see on arriving at Shannon airport is a big sign saying "Welcome Home", as if nobody could possibly be visiting the place in the depths of winter. I noticed that the citizens of Galway have temporarily stopped drinking the traditional winter tipple of hot whiskey (which fills the air in any remotely fashionable bar with the combined aromas of sugar, cloves and turf): brandy has now become the snort *du choix* on the Atlantic seaboard. Brandy on its own to be sociable, brandy and port if you're feeling poorly, or brandy with lemonade if you're in need of something, you know, thirst-quenching. God knows what they drink if they just want to get plastered.

Listening to the relatives and in-laws exchanging news, it struck me once again that Ireland, among its many merits, really is *the* place for freak accidents. Every winter you can be sure of hearing some local piece of Grand Guignol, whether it's of a man drowning in his own corn in some ghastly threshing incident, or a woman whose hair is sucked from her head by an industrial pulpit-cleaning device at St Bridget's Church, or how the rotating ornamental brass fan recently installed in a Galway bar abruptly fell off the ceiling and decapitated a second cousin of Micksy Whatsisname, the guy in an RTE sitcom.

This year was well up to scratch. I heard about an old friend, now 77, who was out in the woods with his son-in-law, felling trees and cutting them up. As they wrestled to free a recalcitrant saw, they failed to notice that their efforts had destabilised *another* tree, a large and extremely dead one, which slowly but spectacularly fell on them both. The younger man broke both his legs, but my friend suffered a weirder fate. His ribs were crushed and his vertebrae truncated so that when his family next saw him walking, he was fully four inches shorter than the last time they'd seen him. Thus does life occasionally imitate, not art, but the cheaper kind of cartoon.

Have you come across Barney the Purple Dinosaur? He's a furry, friendly little chap invented for US television (the educational network that Newt Gingrich tried to close down) and his madcap exploits are thought to appeal to children everywhere. Penguin Books publishes his encounters with barnyard animals, and a wide range of merchandising, soft toys and the like is available for undemanding three-year-olds.

In fact, most children absolutely loathe Barney and the cosy-sweet world he inhabits. I discovered this when I heard my offspring singing (to the tune of Nick Nack Paddy-Wack) this little song: "I hate you/You hate me/We're a horrid familee/With a big shotgun, bang. Barney on the floor/No more purple dinosaur". Charming, eh? It had, they said, been made up by a nine-year-old satirist at school. Then a week later in Ireland, they sang it to their little cousins, who immediately responded with their own version: "I hate you/You hate me/Let's gang up and kill Barnee/With a great big bang and a bullet through the head/Sorry, kids, but Barney's dead". Where did they hear it? Oh, somebody at school …

How could it happen? Five hundred miles apart, two sets of children come up with the same disobliging song. It's not in the charts, it certainly didn't come from Barney's publishers, the children watch different TV channels … I have to conclude it's some form of "morphic resonance", that quasi-scientific phenomenon dreamed up by Rupert Sheldrake to explain why all the birds in the British Isles know – at the same time – that you get to some milk by sticking your beak through the metallic bottle-top.

Readers of *Loaded* magazine, and free-lance seducers everywhere, will raise a glass to Mr Muslum Gunduz, the swivel-eyed leader of the Azcmendis, a radical Islamic sect in Turkey characterised by black turbans, flowing robes and a passionate desire to establish a separate Islamic republic. It is not, however, the holy Mr Gunduz's secessionist initiatives that have put him in the news; it is his arrest by the police, who reportedly found him *in flagrante* with 24-year-old Fadime Sahin at his flat last weekend.

According to Ms Sahin, she was only the last in a lengthy procession of gullible lovelies who had been used as "sex slaves" by the dreadlocked Rasputin. And how had he made the unwise virgins come across? "Gunduz said my body was infested with *djinns*," explained a tearful Fadime, "and that the only way I could be freed was by giving him my underwear and sleeping with him".

You've got to hand it to him. As persuasive tactics go, that's right up there with, "If you won't have sex with me, all the sperm will be banked up through my system until it reaches my brain, which will explode and it'll be all your fault." And persuading Fadime to part with her lingerie *as well* strikes me as masterly.

I'm sorry to hear the enterprising Muslim has been criticised by small-minded Turkish clerics who talked about "charlatans passing themselves off as religious leaders". This man deserves better. He is an inspiration. He is a stimulation. He is a tonic. He is, indeed, a *djinn* and tonic.

Peter Strauss with John Walsh at the Ivy (left), where a novel by Ian McEwan (right) disappeared

Tuesday saw the first literary thrash of the year, at London's Ivy restaurant, where all manner of writerly types gathered to say goodbye to Peter Strauss, the lycanthropic publisher who turned the Picador list from a swanky paperback of other publishers' hit titles into a swanky hardbacker of its own original titles, and signed up an impressive family of good writers, from John Banville and Colm Tóibín to Mark Lawson and John Lanchester.

Mr Strauss, famed throughout the publishing world for his ability to converse in 43 different accents without having any identifiable speaking voice of his own, is off to be a freelance publishing "scout" in the depths of Syracuse, upstate New York. Rumours that he is leaving to pursue New Challenges or investigate the Soul of American Fiction proved to be red herrings. Mr Strauss is in fact decamping because he has fallen in love with the American writer Mary Karr, author of an affecting memoir of her father, *The Liar's Club*, and simply wishes to be closer to his beloved.

The party featured a moment of literary history. Ian McEwan, the novelist, arrived at 8pm with the manuscript of his new novel, *Enduring Love*, which he intended to deliver to his agent, Deborah Rogers. He plonked it on a table and, crippled with hunger pangs, went looking for a tray of canapés. When he next looked round, the parcel had gone. "I assume Deborah picked it up," said McEwan philosophically. "I can't imagine who else would have a use for it."

Did anyone notice Mr Strauss departing for Syracuse with a suspicious bulge in his designer suit?

Early teacher retirement is not a right

Gillian Shephard says abuse of pension schemes is diverting funds from classrooms

There has been much inaccurate and ill-informed reporting recently in the press and elsewhere of the forthcoming changes to the Teachers' Pension Scheme. That, coupled with ill-judged threats of industrial action from the National Association of Head Teachers (NAHT) will have caused confusion among teachers and concern to many teachers' employers. It is time to put the whole issue in perspective and to set out some of the facts.

Last year, the Commons Public Accounts Committee highlighted the cost to the Teachers' Pension Scheme of premature retirement and urged the Government to take action. That is hardly surprising when one considers that the 13,000 teachers who took premature retirement last year will cost the taxpayer £480m. That is both an abuse of the pension scheme and a diversion of resources away from frontline education.

If we left the current arrangements for premature retirement in place, the Government Actuary's report shows that a significant rise in employers' contributions would be needed now, and contributions might have to double by the early years of the next century. Under our proposals, we can avoid such rises. The Government is required, by law, to implement the Government Actuary's recommendations, so the status quo – leaving contribution rates unchanged – is not an option.

The Government Actuary's report also shows that if we transfer the cost of premature retirement from the scheme to employers, we can reduce the employers' contribution rate. That will release funding to enable employers to meet the cost of premature retirement without affecting other programmes. We believe that this is the most sensible way of making employers accountable for their decisions on premature retirement.

Under the current arrangements, the costs of premature retirement are pooled among all employers of teachers. So a school or college may make no premature retirements or it may make dozens, but it will pay the same contribution rate in either case. That does not encourage employers to behave prudently, and they have not done so.

Under the new arrangements, since employers will have to pay the extra cost of each premature retirement as and when they make it, they will make more considered, prudent decisions. It must surely be right that when an education institution takes a management decision, it should also be responsible for the financial consequences of that decision.

Schools can currently make budget savings by granting premature retirement to older teachers and taking on younger teachers who cost them less in salary. But that arrangement takes no account of the cost to the public purse of premature retirement. Once that cost is taken into account, there is no overall saving when a teacher is granted premature retirement. The new arrangements will make that apparent to employers.

Many of the teachers' unions and others have been saying that we want to end premature retirement completely. That is nonsense: the budget settlement is based on a 25 per cent reduction in numbers of premature retirements for school teachers in 1997-98. And the planned numbers in further and higher education are around historic levels. There will still be plenty of scope for premature retirement where this is necessary.

So it is a myth that "burnt-out" teachers will be trapped in our schools, ruining the quality of education in them. At present, only one in five teachers stays until age 60. It is not credible to believe that the remaining four out of five teachers are all incapable of teaching effectively until they reach 60.

Of course, there have been big changes in education, and for the better. Teachers have had to cope with a lot of change, but it is ludicrous to assert that the result is that four out of five of them cannot cope once they reach their fifties. It is particularly indefensible when teachers who have taken ill-health retirement reappear a few days later as supply teachers. We are determined to put a stop to that abuse – teachers are either too ill to teach or they are not. A teacher can't retire on Friday and start teaching again on Monday morning.

We have been accused of conducting a "sham" consultation. We announced the consultation on 22 October, with 12 weeks for consideration by consultees. Because of the wide interest in these proposals, we have also made a summary available to members of the public. I will take final decisions only after 17 January, when the consultation is complete.

There have also been complaints that we are introducing these changes too quickly. In fact, the Government is required to implement the recommendations of the Government Actuary – which form a key part of these proposals – from 1 April this year. It is foolish to suggest that the timing is somehow connected with the fact that we are in the last session of this Parliament.

What these reforms will achieve is to put early retirement back on a sensible, accountable footing. I do not believe we can afford to let them fail.

The writer is Secretary of State for Education and Employment.

Education+, The Tabloid

business & city

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Lloyds fined over pensions mis-selling

Jill Treanor
Banking Correspondent

Imro, the investment regulator, yesterday dished out its heaviest penalty for mis-selling pensions and the first against a high street bank by fining Lloyds TSB £325,000 and ordering it to pay £63,000 in costs.

The investigation by Imro into the bank covered 14,000 pensions transfers made by Lloyds between April 1988 and June 1993. Of those, 2,600 have been identified as priority cases which need immediate attention.

Lloyds anticipates that 1,500 of the priority cases will require compensation and has already offered an average payment of £4,000 to 164 of them.

This is the fifth disciplinary action announced by Imro for pensions that were mis-sold before 1994. It has three investigations outstanding as a result of a review ordered by the Securities and Investments Board, the main City regulator, after it discovered that 1.5 million people may have been mis-sold personal pensions.

The fine announced yesterday related to three charges brought against Lloyds Bank by Imro.

Imro said the first charge related to Lloyds' failure to obtain relevant facts about a customer's personal and financial circumstances that were needed in order to give advice on carrying out a pension transfer.

In particular Lloyds did not obtain all the benefits provided by the schemes that people had transferred from. This meant it was unable to provide illustrations of a personal pension which could be properly compared with the occupational scheme that employees were leaving.

Secondly, Lloyds failed to have a system to ensure all customers had information required to make a fair and balanced decision on carrying out a pension transfer. Imro said Lloyds did not have procedures to obtain all relevant facts about a customer's personal and financial circumstances from April 1988 until February 1993.

The third charge was that between May 1990 and June 1993 Lloyds failed to ensure that all customers had the information required to make a fair and balanced decision on carrying out a pension transfer.

Lloyds did not always provide illustrations of a personal pension which could be compared on a like-for-like basis with the employer's pension scheme. And Lloyds did not always advise customers that a personal pension might not result in as high a pension as could be expected by remaining in their employer's pension scheme.

A spokeswoman for Lloyds said: "A complete overhaul of business procedures took place more than three years ago to ensure that other customers would not, and could not, be similarly affected in the future."

Lloyds stopped conducting its pension transfer business when the problems were unearthed. "Procedures are in place to ensure that those affected will be fully compensated for any losses which may have arisen in their pension schemes," the spokeswoman said.

The bank made provisions of £165m in 1995 for possible compensation payments. This is not just for Lloyds Bank but also for TSB, which it merged with in 1995, and Lloyds Abbey Life, its insurance subsidiary.

Imro is leading the way in the review ordered by the SIB, having investigated around 77,000 pension transfers made by 46 firms. Imro instigated formal investigations into 23 of these firms, five of which, including Lloyds, led to disciplinary action. Three cases remain outstanding.

The four other firms to settle with Imro were Godwins, Willis Corroon Financial Planning, Heath Consulting and Alexander Consulting Group. Another firm, Kerr, has been disciplined for pensions mis-selling since 1994. Five of the investigations led to no action being taken while nine firms have received penalties.

SFA re-opens talks on rules

The Securities and Futures Authority (SFA) may be forced to drop the most controversial part of a new proposal for disciplining senior executives of City firms that get into serious financial trouble, **writes Jill Treanor.**

After a deluge of criticism, the SFA has agreed to re-open discussions with the City's main lobby groups over a planned shift in the burden of proof in disciplinary cases.

Under the SFA's proposals, senior executives would have to prove they acted correctly, rather than the present situation in which the SFA has to show they failed in their duties.

The rulebook changes were drawn up after the Barings collapse and were provoked by the furore surrounding the SFA's decision not to bring disciplinary action against Peter Baring, the chairman, and Andrew Tuckey, his deputy.

It is not clear whether the SFA is prepared to drop the proposed change in the burden of proof.

However, legal advice sought by the Association of Private Client Investment Managers and Stockbrokers (Apcims) suggests the move would violate the European convention for the protection of human rights.

The SFA's original aim was to introduce the plans by the end of last year although Nick Durlacher, chairman of the regulator, always expected the proposals to be greeted with controversy.

The SFA wants the rules to pin responsibility on a senior executive when firms run into difficulty.

The SFA received over 100 responses to the proposals, which were published in September. A final version of the proposals has yet to go to the SFA's board and looks unlikely to do so until further soundings are taken from lobby groups in the City.

"We have to get it right and put in proposals which are workable, enforceable and practicable and still achieve the thrust of our objectives," a spokesman for the SFA said.

Separately, Fidelity Brokerage is approaching a 31 January deadline set by the SFA to sort out back-office problems which have already cost the broking firm around 200 of its 35,000 clients.

"The SFA continues to closely monitor Fidelity's progress and will review which results have been achieved at the end of this month," an SFA spokesman said.

Never again: The water companies said customers would not be subjected to rota cuts or standpipes in the street

Water pledges draw fire all round

Michael Harrison

The privatised water industry came under a fresh barrage of criticism yesterday despite pledging to end hosepipe bans and share future efficiency gains with customers through lower bills or better services.

The pledges formed the centrepiece of a "fightback" by nine of the 10 water companies against the wave of adverse publicity since privatisation seven years ago.

Denying that the campaign was motivated by a fear of Labour's windfall tax, the nine publicly committed themselves to "never again" subjecting their 50 million customers to rota cuts or standpipes in the street.

Other pledges included an end to the discharge of untreated sewage into rivers and the sea, improved compensation schemes for customers and a drive to reduce leakage rates.

However, the campaign backfired almost immediately after the companies were unable to give firm dates for when hosepipe bans would become a thing of the past or detail how efficiency gains would be divided between customers and shareholders.

Frank Dobson, Labour's environment spokesman, said the pledges fell "far short of what the next Labour government will require them to do" and reiterated the party's intention of imposing a windfall tax on the privatised utilities.

Frank Dobson: Confirmed plans for a windfall tax

The Government's Environment Agency, meanwhile, said the water industry's record on pollution since privatisation had not been good, adding that it wanted to see more detail of how it planned to turn "its vision into reality" and the timescales involved.

Consumer watchdogs also voiced scepticism. Elizabeth Monck, chairwoman of the Thames customer services committee of Ofwat, criticised the absence of any detailed breakdown of how excess profits would be shared between customers and shareholders: "Substantial profits have been made since privatisation and customers are looking for a much clearer message about where the benefits are coming to them."

John Green, managing director of Anglian Water and chairman of the Water Services Association, which is coordinating the initiative, insisted the pledges went well beyond the statutory requirements contained in the water companies' licences. He was unable to give an commitment, however, that the pledges would stand if Labour got in and levied its windfall tax.

The nine companies backing the initiative are Anglian, North West Water, Welsh Water, Northumbrian, Severn Trent, Southern Water, South West Water, Thames and Yorkshire.

However, only four of these – Northumbrian, Severn Trent, North West and Welsh – were able to publicly pledge yesterday that they would never again enforce hosepipe bans. Their commitment to end discharges of untreated sewage was equally patchy with some companies refusing to give a timescale.

Brian Duckworth, managing director of Severn Trent, said: "The water industry has come in for a lot of criticism and we believe that some of this is justified. Some things have gone wrong but far more is going right for the industry."

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Warning of lower profits hits TC shares

Magnus Grimond

Shares in TC Group, Britain's largest nursing home operator, sank to their lowest level for eight years yesterday after the company warned that continuing difficulties in filling new homes would hit profits.

The 25p slide in the shares to 114.5p comes just four months after TC was created from the merger of Takare with Court Cavendish to combat increased competition in the market.

Analysts were dismayed by the latest news, particularly as TC issued a statement in November claiming that trading and occupancy for the enlarged group had been maintained at levels set out at the time of the merger announcement in September.

The new chief executive, Dr Chai Patel, who moved over from Court Cavendish, said: "The underlying business, the established homes, are continuing to do well and at the time we made that statement, that was what we were indicating."

He denied there were difficulties with the merger and blamed the problem on acquired homes, particularly Greenacre, acquired by Court Cavendish last April, along with 13 newer Takare homes built in the past two years.

All had been filling more slowly than budgeted for in the last three months of the year, but the main impact would be in the current year, he said. "We are starting 1997 with less beds filled than would have liked."

Although no new homes will come on stream after May, following a change of strategy last year, there are still 400 new beds in the pipeline.

Massey Lopes of Kleinwort Benson said the profits warning was very disappointing. "The problems don't stem from the merger. They stem from the company's position in the market and its weighting towards newer homes." Every 1 per cent fall in occupancy hit the bottom line by about £2m, he said. He has nudged down his forecast for the year just ended from £19.7m to £18.5m and from £27.9m to £23m for 1997.

The whole nursing home sector has been hit by the continuing squeeze on the budgets of local authorities, the principal source of financing for nursing home residents since the 1993 Community Care Act.

Dr Patel said the continued crisis in local authority funding was at the heart of the issue, with a number of councils warning they were about to run out of money, notably Sefton in Lancashire. But analysts said Takare, whose shares have slid from a high of 289p three years ago, has suffered from its own problems. Forecasts were cut last June after the company warned of problems in filling newer homes.

Paul Saper of independent nursing home analysts Laing & Buisson said TC was suffering from two years of very tight central government budget settlements, but part of its difficulties lay with the Takare product which was "not good". He said the group had been operating 150-bed units when the rest of the sector had 50-bed homes, while they also tended to lack the sort of luxuries such as en suite bathrooms and carpets now demanded by the market.

Mr Patel said occupancy in its established homes remained at the 90 per cent for the old Court Cavendish business and 92 per cent for Takare outlined in September. He refused to specify levels for the problem units.

Comment, page 17

British car makers accelerate world sales despite strong pound

Michael Harrison

Britain's car makers shrugged off the effects of the strong pound last year to record big increases in world-wide sales.

Rover said yesterday that total sales in 1996 broke through the half-million mark for the first time in eight years. Rolls-Royce meanwhile announced a 12 per cent jump in sales thanks to the success of the Bentley range including its £222,526 two-door convertible, the Azure.

Jaguar, which is owned by Ford, reported a marginal drop in sales to about 39,000 but said this was due to a six-month gap during the year when it had no sports car version on sale.

According to preliminary figures from Rover, world-wide sales last year reached 506,000 – the highest since 1988. The company, now a subsidiary of BMW, said that for the first time in its history exports had outstripped home demand with 53 per cent of sales going overseas.

The growth in Rover's world-wide sales comes as a consolation to the company as it faces up to continuing losses and a declining UK presence. Rover's share of the domestic market fell to just under 11 per cent in 1996 with 221,658 cars sold against 240,007 the previous year.

Tom Purves, sales and marketing director, said that the world-wide increase had been driven by the success of the new Rover 200 and 400 series, particularly in European markets, and strong demand for the Range Rover and Discovery, both of which set sales records.

Sales in the US were 15 per cent ahead of 1995 while demand was up 50 per cent in Germany and 10 per cent across the Continent as a whole.

Vickers, Rolls-Royce's parent company, said sales rose from 1,556 in 1995 to 1,744 last year. The biggest increase was in the UK where sales rose 29 per cent to 638. Demand was 10 per cent higher from the Americas and 7 per cent up in Japan.

A spokesman said that growth had been due to the introduction of the Rolls-Royce Silver Dawn and the revamped turbo-charged Bentley Brooklands, which sells for £118,557.

Jaguar said it was held back by the six-month wait between the end of XJS production in April and the launch of the new sports model, the XK8 in October.

Union leaders at Ford meanwhile voiced their "deep concerns" at a warnings from senior executives that it is preparing to take imminent action to stem huge losses in its European operations. Tony Woodley, the Transport and General Workers' Union chief negotiator for the car industry, said it was clear the company was considering drastic cuts which could have "disastrous consequences".

Jac Nasser, chairman of Ford of Europe, warned at the Detroit motor show, that it was preparing to take "tough steps" because its cost base was not competitive.

BoE threatens to blackball maverick offshore centres

Peter Rodgers
Financial Editor

The Bank of England made clear yesterday that offshore centres that fail to implement a new agreement to lift the veil of secrecy surrounding their banks could find themselves blackballed by the international financial community.

The agreement last year among 140 financial centres was aimed at raising standards of banking supervision and is closely linked to an international campaign against money-laundering.

Michael Foot, the Bank's director responsible for supervision, told a crime prevention conference in the Cayman Islands that reputable centres might refuse to allow dealings with countries that did not abide by the spirit of the agreement.

Banking supervisors from the main industrial countries last year reached a co-operation agreement with the Caymans and 18 other offshore centres including Guernsey, Jersey, Gibraltrar and the Bahamas, aimed at improving the flow of information.

This was endorsed at a meeting in Sweden by representatives of140 financial centres, which agreed to bring their own procedures up to the same standards as the original group.

Mr Foot warned that countries which "do not commit wholeheartedly to putting into effect the spirit of the accord which has been worked out so painstakingly may quickly find themselves regarded by others as beyond the pale".

He said that since last July, a European Union bank can lose its licence if it has close links – as parent, subsidiary or sister company – with a financial centre whose secrecy laws prevent effective banking supervision.

Mr Foot called for similar cooperation in the fight against money-laundering, and complimented the Cayman Islands on setting new standards with the enactment of legislation to counter its use to hide the rewards of crime.

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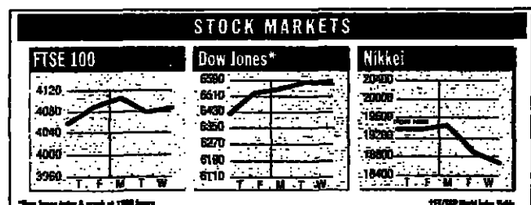
STOCK MARKETS



*New Issue Index & graph at 1300 hours

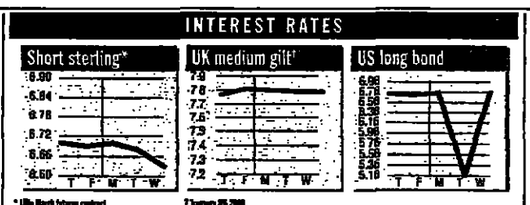
†FT/ISM World Index Table

Indices

Index	Close	Day's change	Change(%)	1996/97 High	1996/97 Low	Yield(%)
FTSE 100	4087.50	+8.70	+0.2	4118.50	3632.30	3.81
FTSE 250	4532.30	+10.80	+0.2	4568.60	4015.30	3.46
FTSE 350	2035.70	+4.50	+0.2	2043.80	1816.60	3.74
FTSE SmallCap	2226.21	+16.96	+0.8	2244.36	1954.06	3.03
FTSE All-Share	2009.44	+5.29	+0.3	2013.66	1791.95	3.58
New York *	6591.81	-8.85	-0.1	6600.66	5032.94	2.03
Tokyo	18680.38	-215.81	-1.1	22666.80	18680.38	0.82†
Hong Kong	13454.93	+34.77	+0.3	13530.95	10204.87	3.10†
Frankfurt	2906.34	+20.21	+0.7	2909.91	2253.36	1.59†

Source: FT Information

INTEREST RATES



* Life March futures contract

† Yesterday 5% 2008

Money Market Rates

Index	1 Month	1 Year
UK	6.18	7.00
US	5.43	5.84
Japan	0.41	0.47
Germany	3.19	3.19

Bond Yields*

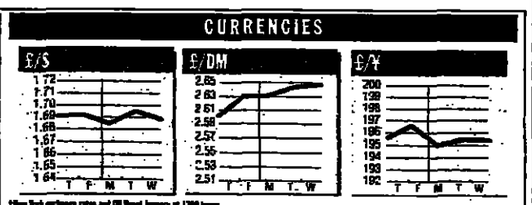
Medium Bond (%)	Year Ago	Long Bond	(%) Year Ago
7.71	7.50	7.80	7.64
6.53	5.74	6.78	6.11
2.51	2.96	-	-
5.94	5.95	6.81	6.72

*Benchmark Indices

MAIN PRICE CHANGES

Rises	Price (p)	Change (p)	Change%	Falls	Price (p)	Change (p)	% Change
Brit Borneo Pets	938	85.5	10.0	Biocompatibles Int	865	65	7.0
Celltech Group	517.5	32.5	6.7	Dixons Group	511	27	5.0
Calm Energy	443.5	27.5	6.6	Assocd Brit Foods	462.5	17.5	3.6

CURRENCIES



*New York exchange rates and Gilt Bond January at 1300 hours

Pound

	Yesterday	Change	Year Ago
$ (London)	1.6908	-2.05c	1.5450
$ (N York)‡	1.7125	+2.15c	1.5490
DM (London)	2.6068	-3.05pf	2.2221
¥ (London)	195.611	-¥3.02	162.127
£ Index	95.0	-1.1	83.1

Dollar

	Yesterday	Change	Year Ago
£ (London)	0.5914	-0.02	0.6472
£ (N York)‡	0.5839	-0.75	0.6472
DM (London)	1.5418	+0.07pf	1.4383
¥ (London)	115.695	-¥0.375	104.940
$ Index	98.5	-0.3	94.6

OTHER INDICATORS

	Yesterday	Day's chg	Year Ago		Index	Latest	Tr Ago	Next Figs
Oil Brent $	24.39	-0.20	18.50	RPI	153.9	+2.7pc	149.8	16 Jan
Gold $	355.15	-3.85	399.40	GDP	108.9	+2.3pc	105.7	27 Jan
Gold £	210.36	-1.40	258.51	Base Rates	—	6.00pc	6.75	—

Water pledges boil down to so much hot air

COMMENT

'They are committed to sharing the benefits of efficiency with customers. But ask them if this means some throttling back in their dividend policies and the response is: "No chance" '

The privatised water companies are so unpopular it is hardly surprising their little attempt at image enhancement has gone down like a lump of raw sewage floating off the Cornish coast. When it comes to customer satisfaction the glass, sadly, will always be half-empty for the privatised water industry, not half-full.

Still, yesterday's "vision of the future" setting out how much better things will be one of these days is a start, even if the 32 "pledges of action" quickly dissolve into flannel on closer inspection. It might seem extraordinary that an industry whose business is supplying water should actually need to pledge that henceforth its customers will be provided with water when they want it. But it is less surprising when you consider that until very recently Yorkshire Water's motto was you can have the stuff when we've got it.

So the industry is getting somewhere but only at a painfully slow pace and only, one suspects, as the dread prospect of a Labour government and Frank Dobson in charge at the Environment Department looms ever larger. The problem with the specific pledges of action nine of the 10 privatised water firms committed themselves to is that they do not boil down to anything of the kind.

Hosepipe bans will become a thing of the past but only four of the nine can say precisely when. Apart from Severn Trent (which is landlocked) none of them can say with hand on heart that they will never again discharge untreated sewage into the sea.

All of them are committed to "sharing" the benefits of greater efficiency between customers and shareholders. But ask them whether this means some throttling back in their progressive dividend policies and the response is, "No chance."

Even the pledge to reduce leakage rates to levels which are "economically sensible and technically feasible" is not new and in any case will not bear fruit until well into the next millennium. In fact the *Meeting the Challenge* document issued yesterday is, as Mr Dobson pointed out, groundbreaking mainly for accidentally leaking the Government's aim of foisting compulsory metering on everyone.

The best bit of all is that the Water Services Association had braced itself for precisely the sort of negative reaction yesterday's initiative received. It is nice to see that seven years of torrential criticism has not dented its sense of humour.

Cleaning up the act offshore

A decade ago, the US resorted to crude economic blackmail to make some of the more notorious Caribbean money-laundering centres start cleaning up their act. This can work for a time, but as one country is squeezed the crooks move rapidly to another. Recently, the emphasis has been on international co-operation and agreement to bring offshore centres to heel, and this has involved a wider group of havens than the Caribbean.

Is it working? Hard to tell, because money-laundering and tax-evasion and avoidance, another serious attraction of offshore centres, are by definition secretive businesses. However, Michael Foot, the Bank of England director in charge of supervision, yesterday dropped a strong hint that there are some laggards out there who are failing to honour agreements made to tighten banking supervision and stamp out money laundering. He made clear in a speech that if they did not pull up their socks they could find their banks banned from reputable financial centres in the European Union.

The Basle Committee on Banking Supervision is attempting to raise the standards of bank supervision in offshore centres while the Financial Action Task Force, based at the OECD in Paris, is working to improve cooperation in the fight against money laundering. The most important recent breakthrough came last year when the Basle Committee on Banking Supervision reached an agreement with the Caymans and 18 other offshore centres, including, Guernsey, Jersey, the Isle of Man and Gibraltar, to raise standards of supervision and provide much greater information about the activities of banks in their jurisdictions.

This was extended later in the year to 140 countries, which agreed to improve their own legislation and procedures by mid-1998.

It is hard to be sure which are the laggards worrying Mr Foot. Gibraltar, at one stage more of a problem than the Caribbean, has at last tightened up. The Caymans, a British dependency once synonymous with dubious offshore activities, was applauded by Mr Foot - who was there for a conference on financial crime - for passing British style anti-money laundering legislation last year.

On the other hand, the Foreign Office announced before Christmas that it was prepared to use reserve powers to improve financial legislation in the Caribbean dependencies - presumably meaning the other four, Anguilla, the British Virgin Islands, Montserrat and the Turks and Caicos.

But as Mr Foot admitted, laundering is not just something done in offshore centres. Big money may be passing through laundries much nearer to home - even London, where the laws are tough, but the sheer volume of financial transactions provides the opportunity for crooks to hide their tracks.

Care for elderly in the doldrums

Care for the elderly should, in theory, be the most fantastic growth business, for as everyone knows, we have an ageing population. And one day it surely will be. For the moment, however, it flounders in the doldrums, caught between the twin restraints of swingeing local authority cutbacks and an industry-wide failure to supply the market with what it really wants.

Nowhere is this more apparent than at TC Group, the industry leader. Consolidation in the still highly fragmented provision of elderly care has clearly not been the panacea expected when bid-fever took hold of the sector in the middle of last year. TC Group's warning yesterday that the vice-like squeeze on local authority budgets was continuing to hit occupancy levels and profits suggests that bigness provides little shelter from the chill winds currently blowing through the sector.

Cynics will argue the creation of TC in October following the merger of Takare and Court Cavendish was a marriage made in hell. The board, a combination of all the directors from the original companies, always looked top heavy. The mechanics of the merger may have distracted management momentarily, but the main problems of TC stem from the legacy of Takare's original and flawed strategy. It could hardly help its hefty skewing towards state sources of income, which are now being screwed down by the Government. But building those cheap and cheerful homes to meet the needs of local authorities looks to have been the wrong approach. The next century baby-boomerswill look for much higher standards for their old-age care than are on offer now. The trickling 1 to 2 per cent growth in the market now could turn into a flood then, but only a few of the present operators seem to preparing themselves to cope with it.

Retailing: Electrical giant and sports store report big increases in trading as tax changes give consumers more cash to spend

Bumper Xmas for Dixons as interim profits race ahead

Nigel Cope

There was fresh evidence of the upturn in consumer spending yesterday when Dixons, Britain's leading electrical retailer, announced a sharp increase in half-year profits together with strong Christmas trading figures.

However, Dixons shares fell sharply due to City concerns over the potential impact of the planned increase in insurance premium tax on the warranties sold on goods. Analysts said the increase in the tax, from 2.5 per cent to 17.5 per cent, could knock £15m off Dixons' profits next year.

Dixons' chief executive, John Clare, said that Christmas trading was boosted by strong sales of personal computers as well as computer games such as the Sony Playstation and the Sega Saturn. Computer software also performed strongly with games such as Red Alert and Tomb Raider among the biggest sellers.

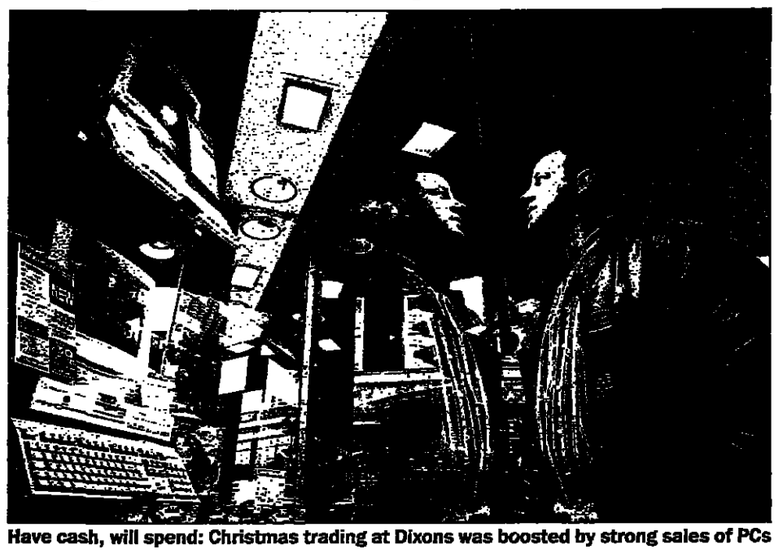
Announcing a 53 per cent increase in half-year pre-tax profits to £57.5m, Mr Clare painted a bullish picture of high street prospects, saying that only the forthcoming election might inject an element of uncertainty.

"In our markets we saw a pick up that started in March or April of last year. You could almost pin-point it to the week. At that time the Tessa money was starting to come out and the benefits of the income tax changes from the previous budget were starting to come into effect. It continued through the summer and is still there now. There is a bit of a feel-good factor out there and the improvements in the housing market will also help."

However, he did sound a note of caution. "What there isn't is a boom. Consumers are more cautious than they were at the end of the Eighties and not all retailers are benefiting. There are winners and losers out there."

Mr Clare confirmed suspicions that though Christmas had been good for many retailers, Dixons fell short of the hoped-for bonanza. Sales at Dixons were strong in the first week of December but then stalled for two weeks. There was a strong run in the final days. It is a pattern other retailers are expected to confirm as they release their Christmas trading statements over the next few weeks.

At Dixons, the strongest performing format was PC World, where like-for-like sales increased by 21 per cent over the same six-month period last year.



Have cash, will spend: Christmas trading at Dixons was boosted by strong sales of PCs

The group plans to open 10 more stores per year, taking the total number in the PC World portfolio to at least 60. However, Mr Clare said the PC market had become more competitive, with more retailers selling the popular multimedia computers.

Dixons shares fell 27p to 511p due to fears over the impact of the increase in insurance premium tax announced by the Chancellor in the budget. Warranties and other insurance premiums account for 8.5 per cent of Dixons' group sales and a higher proportion of profits. Dixons said it could not quantify the precise impact but said it hoped to claw some of the lost margin back through higher prices. "It's too early to say what might happen," said Dixons' finance director, Robert Shrager.

Investment column, page 18

JJB Sports sales up 44% on acquisitions

Tom Stevenson
City Editor

JJB Sports provided further evidence of a strong upturn in consumer confidence yesterday, announcing "substantially" improved sales figures in the 11 months to December. Sales improved across all product categories in the chain's 170 sports shops.

David Whelan, the former Blackburn footballer who started JJB in 1961 with the compensation he received after being stretchered off the 1960 FA Cup final, said: "I am very pleased both with the sales increases that have been achieved and particularly with the progress and development of our superstore concept".

During the 11-month period, sales jumped 44 per cent, largely driven by an acquisition programme that saw 38 stores added. Like-for-like sales, however, also increased by 12 per cent and the company maintained its gross margin on the higher turnover.

Mr Whelan said JJB's store opening programme for 1997 had started well with contracts exchanged on 27 stores and a further 11 being near to exchange. A new superstore with 21,000 sq ft of selling space is expected to open in Oxford Street in late March.

JJB's shares closed unchanged yesterday at 295p, at which level they have almost quadrupled since the company came to the stock market in 1995.

During that period it has ridden a wave of City enthusiasm for sports retailers that has also seen rival Blacks Leisure's shares soar and JD Sports stage a successful market debut.

Investment Column, page 18

Endowment plans lose value

Clifford German

Norwich Union yesterday underlined the growing trend among life insurers to boost payouts on 25-year endowment policies at the expense of returns on maturing 10-year plans.

A 30-year-old who took out a 10-year endowment policy with Norwich in 1987 and invested £50 a month will get only £9,765 when the policy matures, compared with £10,255 for a similar plan that expired in 1996.

It represents an average yield of 9.4 per cent a year, against 10.4 per cent on last year's maturing policies.

However, a 25-year policy maturing this year will pay out £93,179, an annual return of 12.6 per cent on the investment. That compares with £92,535 paid out on similar plans in 1996 which represented an annual return of 12.5 per cent.

The difference in performance reflects the much higher rates of return Norwich obtained on investments in the 1970s when assets and dividends were being magnified by high levels of inflation.

It also reflects the good returns that investments generated in 1986, the year which has dropped out of the latest 10-year rolling calculation.

The return in 1986 was around 22 per cent, roughly double that achieved in 1996.

The 10-year and 25-year maturity values are calculated by adding the guaranteed benefits which are put in place from the day the policies are taken out, annual bonuses awarded at the end of each year the policy is building up and an additional bonus awarded only in the final year before the policy matures.

For the third year running, the annual bonus awarded for 1996 was 2.5 per cent on the guaranteed benefit and 4.5 per cent on the accumulated annual bonuses to date.

The drop of almost 5 per cent in Norwich Union's 10-year maturity values is still greater than the comparable reduction of 1.2 per cent at General Accident and just over 3 per cent at Friends Provident, and probably reflects the poor performance of property investments which made up a significantly larger part of Norwich's portfolio in the late 1980s.

However, despite the drop in values, a spokesman for Norwich said 10-year endowment plans maturing this year would still cover individual mortgages in full.

Annual bonuses added to unit-linked savings policies are unchanged at 6.5 per cent and at 7.5 per cent on pensions business.

Sports shares prove a winner

Patrick Tooher

The world's first investment fund to focus entirely on sports shares yesterday announced growth of more than 66 per cent in its first eight months.

The fund, which is managed in-house by Momentum, an investment house, includes in its portfolio leading international sports brands such as Adidas and Nike and top English Premier League football teams such as Manchester United and Chelsea.

It was set up to exploit the potential cash bonanza from the introduction of pay-per-view television and the growing demand for shares with limited availability such as British football clubs. It also seeks to benefit from the growing trend of sports clubs to be professionally managed.

News of the fund's success came on the day former Liverpool captain Alan Hansen announced a new football investment fund designed to capitalise on the game's growing popularity with investors.

Michael Goldman, managing director of Momentum, welcomed Mr Hansen's involvement with an as-yet-unnamed fund manager.

"We welcome all competition which will inevitably boost prices as buying pressure increases in a comparatively thin market," he said.

The rush of football clubs to go public has prompted the Stock Exchange to consider listing them under a separate category, a move which could give share prices another boost by attracting index-tracking funds.

And Japanese investment bank Nomura recently issued warrants on a new football index to track the share prices of quoted Premiership clubs. The warrants give investors geared exposure to what it called "this emerging sub-sector of the leisure industry".

The Momentum fund covers equipment manufacturers and suppliers, apparel manufacturers and sports clubs.

"The rarity of a number of sports shares continues to confirm Momentum's diversified approach," Mr Goldman said.

In Brief

- **The number of corporate insolvencies** in Germany reached a post-war record of 25,800 in 1996, according to figures compiled by Dun & Bradstreet.

  Western Germany accounted for around 18,000 insolvencies and eastern Germany for 7,700. The latest official statistics compiled by the Federal Statistics Office show a 16.6 per cent increase in corporate insolvencies to 19,073 in the period from January to September.

- **The US and the UK** have agreed to resume "open skies" negotiations in Washington, starting 4 February 4 and expected to last until 6 February. However, John Byerly, special negotiator for transportation affairs at the State Department, said the US was not expecting any "dramatic breakthrough".

- **Deutsche Bank** has acquired the 20 per cent stake it does not already own in German private banking arm Bankhaus Grunelius as part of a restructuring of its private and corporate banking division. Deutsche Bank will concentrate the top end of its private banking business in Germany at the Grunelius unit, it said. Outside Germany, where Deutsche Bank manages around DM40bn worth of private customer funds, private banking will continue under the name Deutsche Bank. The bank denied it was planning to move data-processing operations abroad to cut costs.

- **Spain's unemployment rate** fell to 13.82 per cent in December from 14.04 per cent in November, the Labour Ministry said. The number of jobless in December fell by 35,240 people from the previous month, with the total number of unemployed put at 2.216 million. In 1996 the number of jobless fell by 160,859.

- **Philips Electronics** has decided to further disconnect itself from Grundig and said it was demerging its 32 per cent stake. Philips said the move was due to its aim to use a single brand name where possible, and the negative results on its investment in Grundig. Philips said that due to the "rapid globalisation" of consumer electronics markets, it had decided to move "towards a one-brand policy, particularly in the sound and vision markets." Philips has begun talks with the Max Grundig Foundation on unwinding the contractual relations between Philips and the Foundation.

ADT rejects £2.1bn offer as inadequate

David Usborne
New York

The future of ADT, the number one home security company in North America and the UK, remained uncertain yesterday after it signalled rejection of a hostile takeover bid by Kansas-based Western Resources.

In a letter to shareholders, the ADT board said it had reached a preliminary view that the $3.5bn (£2.1bn) offer by Western Resources was inadequate. It also suggested that it had received inadequate information about the proposed acquisition.

Based in Bermuda, ADT is led by the British home alarm and car auction entrepreneur, Michael Ashcroft. Last summer, the company was courted by another US home-alarm company, Republic Industries, which is headed by the flamboyant founder of Blockbuster Video, Wayne Huizenga.

Yesterday's letter suggests that the battle for control of ADT will be a drawn-out affair. In announcing its bid in December, Western Resources signalled its intention to arrange an immediate meeting of ADT shareholders to vote through the takeover and replace the ADT board.

Instead, ADT yesterday said that it would be scheduling a special general meeting of shareholders only in July. A notice of the meeting was also sent to stockholders.

The Republic offer for ADT was considerably more valuable for Mr Ashcroft and was priced at closer to $5bn. It was abandoned in August, however, when Republic suffered an unexpected downturn in its share values. Mr Huizenga has since concentrated on expanding his rental car interests, recently announcing the acquisitions in the US of both the Alamo and National rental fleets.

Sounding the alarm: Michael Ashcroft, British head of ADT, which looks set for a drawn-out battle for control

ADT is still the largest supplier of security and alarm equipment and services for commercial and residential properties in the US, with over 1.7 million customers. It is also America's second largest car auction company with some 27 auction centres around the country.

Western Resources, however, has been striving to grow in the alarm industry. In December it purchased Westinghouse Electric, also a security business, for $368m. If it succeeds in absorbing ADT it would become almost unassailable as the dominant player in the industry in Britain and the US.

The hostile move against ADT followed several unrequited attempts by Western Resources to begin negotiations for a friendly merger. Western wrote to the ADT board at the time saying it could no longer ignore the benefits that a combination of the companies would promise to both their sets of shareholders.

In its letter yesterday, ADT also noted that it would be taking a one-time charge of $110m arising from its recent acquisition of Automated Security Holdings. The integration of the new business into ADT should bring about significant future cost savings, the letter said.

ADT will also report a $50m gain from a sale of its remaining holdings in Limelight.

News of ADT's rejection of the Western Resources offer cast a slight chill on its shares in morning trading in New York. At the lunch hour, ADT stock had edged down 12.5 cents to $22.265. Shares in Western Resources by contrast rose 25 cents to $31.25.

Separately, it was reported yesterday that Ford Motor Company is preparing to sell its Budget Rent a Car concern.

Little warrant for concern at Dixons

THE INVESTMENT COLUMN

EDITED BY TOM STEVENSON

It is not surprising that John Clare, Dixons' white-haired chief executive, was wearing a Santa-like smile yesterday. Father Christmas clearly came early to Britain's leading electrical retailer last year. The consumer spending revival finally arrived and when it did Dixons found that much of its competition, particularly from the electricity companies, had fallen on hard times.

Dixons' increasingly dominant position in its sector has worked wonders for its share price, which has soared in the past two years. After dipping to 170p in July 1994, the share price has more than trebled.

The buoyancy was backed up by good trading figures yesterday. Profits in the six months to 9 November were 53 per cent up at £57.5m. And like-for-like sales – the key measure – were 8 per cent higher and the margin maintained.

PC World led the way, boosted by the boom in personal computers. But Currys and The Link, Dixons' high street mobile phone chain, also did well.

With more windfalls from Halifax and Woolwich building society flotations due in the summer, this year also promises rich pickings for retailers such as Dixons. Share payouts of £800 to £1,000 are just the kind of sums that will be traded in for a new washing machine or a swanky PC.

The 27p fall in Dixons' share price to 511p yesterday was down to two factors. The first was that the 8 per cent increase in like-for-like sales over the Christmas period was not quite as exciting as the market was expecting. But the main reason is the potential impact of the new insurance premium tax on Dixons' profits. Dixons makes 8.5 per cent of its group sales from warranties so the Chancellor's decision to raise VAT on the policies from 2.5 to 17.5 per cent will clearly hit Dixons hard. At worst it will slice £30m off the bottom line. But assuming Dixons manages to claw some back in higher prices the hit could be about £15m. But it is the uncertainty – no one really knows how inelastic demand will prove to be – that has affected sentiment.

Should these fears prompt shareholders to take some profits after the recent run? Not necessarily. Some analysts are pointing out that warranty fears over Dixons have been aired before and that the company has always shrugged them off. It is also worth stating that the building society windfalls will have a considerable impact. Cash from previous windfalls may have been reinvested. But with the economy improving things might be different when these payouts arrive in July or August. It is highly unlikely that £15bn is going to be tucked back into safe little savings plans. With analysts forecasting profits of £195m next year, the shares trade on a forward rating of 17. Yesterday's fall should be seen as less a cause for concern and more of a good buying opportunity.

Lowe on the acquisition trail

Robert H Lowe, the Cheshire-based sportswear maker and packaging group, is a good case study of a company that has gone beyond the restructuring and recovery phase but needs more than just the prospect of sustained organic growth to keep investors happy.

Boosted by the impact of Euro 96 on replica football kit sales, results for the year to October 1996 make impressive reading. Pre-tax profits rose 78 per cent to £2.4m on turnover 93 per cent higher at £30.5m. Earnings per share advanced 53 per cent to 2.3p while the dividend was raised by a half to 0.3p.

Profits included a maiden £567,000 contribution at the operating level from Majoca, a corrugated packaging business bought for an initial £2.2m in shares two years ago. The results draw a line under Lowe's chequered past.

At one stage in the late Eighties the shares touched £20 but they went into free fall after a series of disastrous acquisitions, most notably childrenswear group BabyGro, took Lowe to the brink of collapse.

But new management under David Sebire and fresh financing have given Lowe a new lease of life, though rehabilitation of the shares, as low as 8p three years ago, has been slow. Last night they closed 1.5p higher at 26p.

Mr Sebire warned yesterday that following an "extremely strong performance" there may well be a pause in profit growth at the sportswear division until the effects of the 1998 World Cup, to be held in France, are felt.

In the meantime, Lowe intends to make further acquisitions in both the packaging and sportswear divisions to drive earnings forward.

Clearly Lowe has been encouraged to go down the acquisition route again by the success of the Majoca deal, but the strategy increases the risk profile.

The main problem is finding the right deal. Lowe would like to improve the distribution of its sportswear and buy suitable packaging and labelling firms, but opportunities at the right price are few and far between.

Assuming no corporate action, brokers look for pre-tax profits this year of up to £2.9m rising to £3.2m in 1998, though the forward price/earnings ratio remains at 10 as tax losses carried forward drop away. That is a fair reflection of concerns about Lowe's reliance on acquisitions. Hold.

JJB Sports shows its paces

Yesterday's 11-month trading statement from JJB Sports went some way to justifying the City's enthusiasm for a small band of sports and leisurewear retailers, which have been among the stock market's strongest performers in the past year or so.

JJB shares have risen by 50 per cent over the past year. Since former Blackburn player Dave Whelan brought the company he founded from a single shop in 1961 to the market in 1995 they have risen four-fold. He and his son-in-law, Duncan Sharpe, still own just over 50 per cent of the company, which is now worth £260m.

In the 11 months to the end of December sales of the shops' mainly branded sports equipment and replica football strips have risen 44 per cent. Most of that growth has come from an ambitious expansion programme, which took the chain from 130 to 170 outlets, but like-for-like sales, the real measure of a retailer's success, were up an impressive 12 per cent.

JJB continues to grow at a good lick, with contracts exchanged on 27 new shops and a further 11 near to completion. A flagship superstore on London's Oxford Street is scheduled to open in late March.

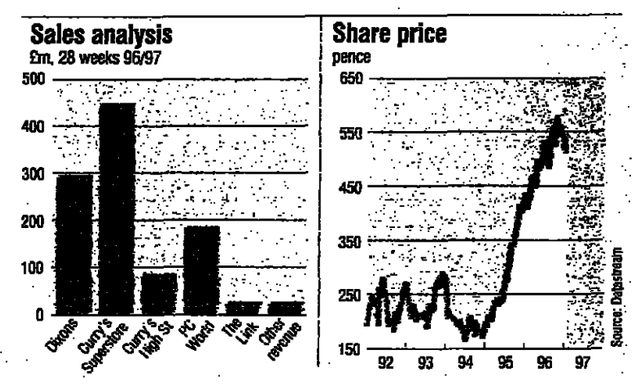
The key to JJB, as it is to Blacks Leisure and recently floated JD Sports, is whether the recent surge in sales is down to sports clothes being temporarily in fashion, boosted by a cluster of high-profile events such as Euro 96, or whether there really has been a sea change in clothing habits towards sports and active outdoor wear.

Only time will tell. In the meantime, JJB's shares will be valued on the basis of forecast profits in the year to the end of this month of about £18.4m and £23m next time. Those forecasts put the shares, unchanged yesterday at 295p, on a prospective price/earnings ratio of 23 falling to 18. For a rapidly growing business that is not excessive, but the shares have paused for breath and look fully valued for the time being.

Dixons: at a glance

Market value: £2.15bn, share price 511p

Trading record	1994	1995 (full year)	1996 (full year)	1995 (half year)	1996 (half year)
Turnover (£bn)	1.92	1.65	1.92	0.85	[illegible]
Pre-tax profits (£m)	-165.2	100.3	101.5	37.5	57.5
Earnings per share (pence)	-44.1	16.6	15.3	5.9	[illegible]
Dividends per share (pence)	6.6	7.25	8.75	2.05	2.4



Christie's breaks the £1bn barrier

Magnus Grimond

The continued boom in the art market sent sales last year by Christie's International, the auctioneers, through the £1bn barrier for only the third time. The 9 per cent rise in sales to £1.02bn took the group to within £313m of 1989's record after strong growth across the board, led by British and Far Eastern buyers.

The figures included the first contemporary artist to top $10m since the 1980s boom when Willem de Kooning's *Woman* sold for $15.6m (£9.5m) in New York. It also took in the record £5.3m paid for an Old Master drawing. Raphael's *Study for the Head and Hand of an Apostle* sold in London, and two important sales of works by Monet which fetched the third-highest auction price for the artist. *Le jardin de l'artiste a Vetheuil* and *Nympheas* each sold for $13.2m (£8m) when the collection of Mr and Mrs Charles W Engelhard, the family behind the minerals group of the same name, was auctioned in New York in November.

Lord Hindlip, chairman, said: "Sales this year have increased by a healthy amount, despite there being fewer large single-owner collections sold than in 1995. The growth was broadly based, with increases in most regions and almost all categories of works of art, reflecting the strength of our international network."

Unlike the boom of the 1980s, last year saw fewer Impressionist paintings and an upsurge in demand from the Far East. Peter Blythe, finance director, said there had been fewer of what he called secondary quality Impressionist items selling at lower prices. Some of the less celebrated works of Monet and Renoir, which would have seen very high prices in 1989, had been selling for "more reasonable" prices.

Separately, the much smaller Phillips said sales through its auction rooms had climbed 16 per cent to £114m last year. It said the establishment of a permanent saleroom in Geneva, where turnover was up 49 per cent, had boosted the figures.

Ground-breaker: Willem de Kooning's 'Woman' sold for $15.6m in New York

Gulf fuels feud in bid for Clyde Petroleum

Tom Stevenson
City Editor

The City remained convinced yesterday that Gulf Canada will have to increase the value of its recently launched offer for Clyde Petroleum if it is to secure victory in its hostile bid for the oil explorer.

Shares in Clyde continued to ignore the escalating war of words between the two companies, closing 0.5p lower at 117p, as the stock market continued to believe Gulf's 105p-a-share cash offer was no more than a sighting shot.

With 19 of the bid's scheduled 60 days elapsed, Gulf wrote to Clyde shareholders yesterday in response to the British company's first defence document issued last Sunday. The Canadian bidder said Clyde's defence contained no new information and dismissed it as an attempt to "change the basis of calculating value, abandoning the traditional and widely accepted approach of net asset value".

Malcolm Gourlay, Clyde's chairman, responded angrily to the "very misleading" claim that there had been no new information. He said Clyde had furnished investors with several new pieces of information including an estimate of year-end reserves of 130 million barrels of oil equivalent, a 60 per cent increase on the 1995 figure, a list of targeted projects and details of Clyde's 1997 drilling programme.

Beneath the rhetoric, Gulf's bid has quickly been reduced to an argument, arcane to observers outside the oil business, over the correct method for valuing oil exploration companies and a dispute over which measure should best be used as a basis for calculating the premium implied by the offer price.

In its defence, Clyde asserted that the most appropriate measure of its value was a multiple of cash flow, similar to what some analysts describe as a "going-concern value", which takes into account the ability of a company's executives to add value to current assets via management and acquisition.

Gulf said yesterday that approach was "fundamentally flawed", favouring the use of a core, net asset value, which tends to produce lower, more conservative values.

Gulf chief executive JP Bryan added: "Oil and gas companies are valued primarily on the basis of their expected future cash flows. The most appropriate valuation methodology is therefore 'net asset' value" which represents the present value of Clyde's projected future cash flows."

Mr Bryan is understood, however, to have told analysts that a fair value for Clyde would be a 25 per cent premium to the company's "going-concern" value. The market has focused on that measure and applied it to the latest estimate from Clyde's broker Hoare Govett of 95p to justify the current share price.

IN BRIEF

• **WH Smith Group** has finalised all outstanding matters relating to the sale of Niceday to Guilbert (UK). Under the terms of the sale, announced in April 1996, WH Smith received £112m and Guilbert deposited £30m in an escrow account pending completion of the financial accounts, validation of net assets and the satisfactory performance of Niceday's distribution centre through to June 1997. The final agreement provides for £10.5m of the cash held in escrow to be released to Guilbert, the balance of £19.5m plus interest to be released to WH Smith and the settlement of all possible claims connected with the financial position and the distribution systems. The settlement is within the provisions made in WH Smith's accounts.

• **Enterprise Oil** has suspended its offshore drilling programme in Cambodian waters following disappointing results in the amount of petroleum found in three wells. Hugh Mackay, Cambodia exploration manager, said: "The volumes of hydrocarbons indicated that there were not commercial reserves in our [offshore] blocks." But Enterprise, which began operating in Cambodia in 1991 and has invested more than $55m (£33m) in oil exploration there, is bidding to explore other offshore blocks that lie in waters contested by Cambodia and Thailand.

• **Bunzl** has bought Thinking Plastics and its associated company MDX Plastics for up to $4.3m (£2.5m). The California-based businesses make proprietary industrial plastic parts particularly for the US tubular furniture and equipment market.

• **Reuters Holdings** has acquired a 49 per cent stake in Bisnews Information Services, which supplies domestic real-time data and news to the financial markets of Thailand, for £10.6m cash.

• **Edge Properties** has sold a Cardiff warehouse that is still under construction to Save & Prosper for £6.8m. Although the development is not expected to be completed until April, 23,500 sq ft of the 33,500 sq ft retail warehouse space has already been pre-let to Pet City and Byte Computers at £14 per sq ft. Edge has given a rental guarantee of about £140,000 a year on the remaining space for three years should the accommodation remain unlet at completion.

• **GKN** has acquired an 80 per cent shareholding in Italcardano Universal Giunti, which is based in Milan and makes propeller shafts, propeller shaft components and double universal joints for the commercial, off-highway and military vehicle markets. Financial details were not disclosed.

• **United Industries** has sold its loss-making Holden Hydroman automotive plastics business to a company controlled by Polytec Kunststofftechnick of Germany for £4.7m cash. In the six months to June 1996, Holden Hydroman lost £588,000 on sales of £6.3m.

• **Capital Corporation**, the casinos operator, warned that full-year profits would be between £8.5m and £9m, which is below analysts' estimates of £10m to £11m. The company said results in the final quarter of the year had been hit by low levels of "high roller" activity, and in particular adverse gaming results in December, which overall produced a lower win percentage for the second half.

• **Whitbread** said it will buy five freehold children's nursery sites from the Busy Bees independent chain for £2m. The nursery sites will be operated and managed by Whitbread's David Lloyd Leisure unit. The deal makes David Lloyd the largest operator of privately owned nurseries in the UK with 24 sites, Whitbread said. The new outlets will trade as part of Gatehouse Nursery Services, a wholly owned subsidiary of David Lloyd Leisure.

Company Results

	Turnover £	Pre-tax £	EPS	Dividend
Bespak (I)	39.4m (35.7m)	5m (3.5m)	13.3p (9.2p)	4.62p (4.2p)
Dixons Group (I)	1.06bn (855.7m)	57.5m (37.5m)	9p (5.9p)	2.4p (2.05p)
Garland Whalley & Barker (F)	58.83m (40.13m)	12.66m (5.51m)	11.07p (3.07p)	0.32p (-)
M&W (F)	118.5m (107.6m)	10.75m (10.89m)	10.75p (10.89p)	4p (3.5p)
Robert Lowe (F)	30.54m (15.84m)	2.4m (1.3m)	2.3p (1.5p)	0.3p (0.2p)
Saville (I)	24.1m (18.5m)	3m (1.9m)	4.7p (3p)	1p (0.75p)

(F) - Final (I) - Interim (N) - Nine months

Unilever continues weed-out

Nigel Cope

Niall FitzGerald, the new Unilever chairman, confirmed his strategy of weeding out non-core businesses yesterday when the company sold a micro-biology division to venture capital group CinVen.

CinVen is buying the professional micro-biology unit of the conglomerate's Unipath business in a deal worth £84.6m. This includes fresh banking facilities to fund expansion and Unilever yesterday declined to reveal the precise sale price.

Though not technically a management buyout, CinVen will retain the group's existing management. They are also expected to obtain a stake in the business which has 600 staff and recorded sales of £60m last year.

The business – which will be renamed Oxoid – is based in Basingstoke and manufactures materials used by hospitals, pathology units and the food and pharmaceutical industries.

Outside the UK, Oxoid also has manufacturing plans in Germany and sales offices across Europe, Australia and Canada.

Unilever will concentrate on Unipath's consumer goods activities which are based in Bedford. They include the Clearblue pregnancy test kits and the recently launched Persona systems of contraception.

Mr FitzGerald, who took over the reins at Unilever in September has already stated that he wanted to dispose of under-performing or non-core businesses. Unilever sold Mrs Butterwell, an American syrups and pancakes business just before Christmas.

Mr FitzGerald's has already slimmed down Unilever's group executive committee and plans to merge some operating subsidiaries into a simpler structure.

United Biscuits sales cost £35m

Bloomberg

United Biscuits said it would incur a charge of about £35m for the sale of a string of businesses outside its key UK market.

The maker of McVitie's cookies and KP snacks also said business over the Christmas period was satisfactory and that its 1996 profit would be as anticipated at the time of the interim results.

The company is retrenching to focus on its main UK markets after posting big losses overseas in recent years.

It has already sold its Ross frozen vegetable business and its Keebler cracker and cookie operation.

"These steps represent a very considerable tidying up and strengthening of our business portfolio and balance sheet," said Eric Nicoli, group chief executive. "We now have a healthy balance of progressive established businesses and interests in emerging markets and we have a solid platform for further growth."

United Biscuits said its latest disposals were a 60 per cent stake in ICA, an Italian snack food producer, an 84 per cent interest in S&A, a Portuguese snack business, and a 46 per cent stake in Aguia, a Brazilian cookie maker.

It also said it closed its Gyori Snacks unit in Hungary and would shed its 30 per cent stake in Kargida, a Turkish snacks business.

Alex Leohnis, an analyst at UBS, described the moves as "tidying up" and said much of the disposals had been well flagged. On the trading statement, he said: "There has been very little they have said over the past year and a half that hasn't been as expected."

He said the group had been at pains over the past year or so to prove that it was a stable ship.

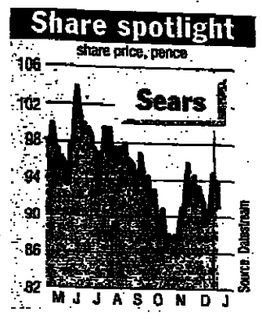
market report / shares

Data Bank

FTSE 100	
4087.5	+8.7
FTSE 250	
4532.3	+10.8
FTSE 350	
2035.7	+4.5
SEAQ VOLUME	
900.4m shares, 39,001 bargains	
Gilts Index	
n/a	

Share spotlight

share price, pence



Fresh fears for Sears as trading statement is awaited

The stock market is once again fretting about **Sears**. The struggling retailing group is due to produce a trading statement and fears are growing that it will offer little encouragement for investors.

More than most, Sears desperately needed bumper festive trading. But the word is that sales have not come up to expectations and analysts will be tempted to pull back profit forecasts again, perhaps from around £100m to £90m.

The suggestion is that although Selfridges did well other parts of the sprawling group had a less successful experience.

Liam Strong, the chief executive called in five years ago to mastermind a recovery, is banking on strong seasonal business to halt the flow of hostility from City institutions. Last year he survived calls for his removal at the yearly shareholders' meeting.

Sears has been criticised for bumbling into the fiasco of its abortive attempt to sell nearly 400 shoe shops to Stephen Hinchliffe and for selling the Olympus sports business which managed to stage a revival almost as soon as it baled out.

The group is in talks with Littlewoods and possibly others about selling its Freemans mail order operation. Here again tales of gloom have surfaced with stories of any deal being clinched at nearer £300m than the £400m-plus many expect.

Nick Bubb at MeesPierson recently estimated Sears' break-up value at more than 120p. A Selfridges demerger could be worth 45p a share. The shares slipped 2.5p to 91.5p.

Many believe that if Sears fails to show signs of getting its act together this year it will attract a takeover marauder, or be pressured by institutions into demerging or introducing management changes.

MARKET REPORT

DEREK PAIN

stock market reporter of the year

The rest of the market had a busy but uneventful session with Footsie up 8.7 points to 4,087.5. The FTSE 250 index continued its recent run with a 10.8 advance to 4,532.3.

Oils were again strong. The majors made further headway but much of the action was concentrated among second-liners with takeover hopes continuing to bubble.

Cairn Energy flared 27.5p to a 443.5p peak. A range of influences was behind the jump. There was talk of a trading link with Shell as well as developments at its Bangladesh operations. Barclays de Zoete Wedd chipped in by urging a switch into Cairn from **British Borneo Petroleum Syndicate**. Borneo, however, was undaunted, up 85.5p to 938p. HSBC James Capel put a 1,200p target on the shares.

Legal & General added another 5p to 384p but the most compelling insurance story involved **Sun Life & Provident**, the UK arm of UAP, the French insurer.

The shares returned to market in June when UAP sold 224 million at 235p, retaining a 60.2 per cent interest. The price rose 11p to 274p on rumours UAP was planning to sell its stake, with **Prudential Corporation**, which has made no secret of its desire to expand, the most likely buyer. Pru gained 3.5p to 500p.

Profit warnings again did the rounds. **Capital Corporation**, the casino group, fell 5p to 155p (the price was 245p last summer) after reporting profits would come out at up to £9m against hopes of £10m-£11m. And **TC**, the nursing homes group, tumbled 25p to 114.5p on its warning.

Analysts were busy. **Associated British Foods** crumbled 17.5p to 462.5p as ABN Amro Hoare Govett said sell to 450p; Henderson Crosthwaite made cautious noises about **Reuters**, lowering shares 13p to 719.5p, and **Glaxo Wellcome** retreated 15.5p to 897.5p as NatWest Securities cut profit estimates because of sterling's strength.

Mirror Group improved 6p to 222.5p after Panmure Gordon put a 250p target on the shares. It drew attention to lower newsprint costs and possible circulation benefits from the coming general election.

Northern Foods put on 2.5p to 212.5p following talk of good Christmas trading and hopes for improved milk margins; the milk prospect also helped **Unigate** 9p up to 439p.

Wickes, the do-it-yourself chain, remained in the doldrums. Unimpressed by modest director-buying the shares fell sharply with the nil-paid rights crashing 21.5p to 25p.

Alvis, the defence group, moved ahead 7.5p to 137p; it has formed a joint venture for a water jet cutting system.

Lanica Trust, the aspiring mail order business, came down somewhere nearer to earth. After surging from 58p in the summer to 2,050p, the shares have encountered turbulence and were at one time off 425p at 1,400p. But buyers appeared. At the close the price had recovered to 1,800p, down just 25p.

Taking Stock

- **Merchant Retail, which has displayed interest in AIM-listed A de Gruchy, the Jersey department store, rose 1.5p to 25p after producing an encouraging trading statement. Its Perfume Shop chain lifted Christmas sales by 37.2 per cent and the Joplings department stores managed a 3.3 per cent gain. The group has 32 Perfume Shops and hopes to open 15 this year.**
- **The £3.25m cash-raising exercise by burger maker Whitchurch left Richard Thompson, one of the architects of Caspian, with a 46.31 per cent stake. The shares held at 27.5p.**
- **Wiggins, the property group, edged ahead 1p to 8.5p. There was talk of planning approvals coming through. NatWest sold 5 million shares, reducing its stake to 3.9 per cent.**

Share Price Data

Prices are in sterling except where stated. The yield is last year's dividend, grossed up by 20 per cent, as a percentage of the share price. The price/earnings (P/E) ratio is the share price divided by last year's earnings per share, excluding exceptional items.
Other details: xr Ex rights x Ex-dividend xa Ex all u Unlisted Securities Market s Suspended pp Partly Paid pm Nil Paid Shares. ‡ AIM Stock
Source: FT Information

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Alcoholic Beverages

1996/97 High	Low	Stock	Price	Chg	Yld	Index PE/Code
556	444	Allied Domecq	427	+6	69	129 1500
825	477	Bulmer(H)	550	-	31	152 2005
131	63½	Burn Stewart	65	-	63	599 5181
685	615	Glenmorangie	685	+	17	241 3257
498	418	Grand Met	444½	+½	45	144 2759
498	425	Guinness	432	-½	44	134 2791
378	315	Highland Dist	346	+4½	30	157 2690
879½	570½	Iron	570½	-¾	21	231 1169
803	255½	Matthew Clk	258	+½	116	123 2153
141	91½	Merrydown	107	-½	54	144 3352
24½	20	Scottish & Nwc	12½	+½	12	-

Banks, Merchant

1996/97 High	Low	Stock	Price	Chg	Yld	Index PE/Code
483	360	Cater Allen	390	+4	96	154 2089
392	307½	Close Bros	363½	+6	34	147 2168
402	250	Gerrard	289	+6½	99	116 2636
297½	196	Hambros	234½	+1	40	139 2892
197	143	King & Shaxson	187½	+1	60	210 3068
425	405	Lazards	405	-	52	275 2009
67	49½	Rea Bros	60	-	23	236 3765
154½	185	Schroders	1545	+15	14	128 3939
135	99½	Singer & Fried	102	+3	40	97 4028
115½	71	Union	91½	+½	45	88 4353
360	288	Wingut	322½	-	50	156 4524

Banks, Retail

1996/97 High	Low	Stock	Price	Chg	Yld	Index PE/Code
39⅝	27½	ABN Amro	132½xa	+½	32	148 1300
167½	128	Abbey Nat	782	+9	38	141 5141
400	315	Aid Irish	388½	-1	45	110 1854
34½	25½	Anglo Irish	32	+½	-	1000
464½	454½	Antofa	464½	-6½	08	3049
389½	285	Aus NZ	372½	-1½	51	-
75½	60½	Barclays Dn	697½xa	-½	-	2202
48	22½	Banco Bilbao	32½xa	+½	38	-
35⅝	25½	Banco de Snt	32½xa	-½	40	226 -
1167½	661	Barclays Bk	1028	+12½	34	112 7754
61½	38½	Bk America	52½xa	-	22	1214
158	118	Bk Ireland	158	+3	37	126 1330
338	227½	Bk of Scotl	298	+5	31	109 1142
15½	10½	Bk Tokyo Mts	10½xa	-	04	-
13½	9½	Dbn Ik	12½	-	05	-
34½	27½	Deutsche Bk	62½xa	-	25	1057
8½	5½	Esp Santo	17xa	+½	42	113 6487
1507	834	Fuji Bank	834	-21½	05	-
1355½	930	HSBC (HK)	1289½	+7	37	122 2798
1229	1000	HSBC Hldgs	1530½	+9½	38	122 2778
446	294½	Lloyds TSB	446	+12	34	169 4320
1159½	775	Midland Tst	775½	-5½	04	5389
790½	565	Nat Aus Bk	689½	-5½	58	85 -
1235½	805½	Nat West	1225½	+9	46	104 3483
598	404	Ri Bk Scot	549½xd	+2½	47	121 3854
8½	5½	Sakura Bank	15½	-	06	4000 -
725½	547	Stan Chartrd	700	+1½	21	136 4094
14½	8½	Sumitomo Bk	8½	-½	05	-
362	284	Westpac	333½	-½	39	112 -

Breweries, Pubs & Rest

1996/97 High	Low	Stock	Price	Chg	Yld	Index PE/Code
846½	702	Bass	820	+12	38	152 1772
205	181	Burtonwood	196½	-	40	157 2022
92	62	City Gt Res	90	-	20	284 1799
628½	463	Compass	614	-2½	18	241 1697
397½	160	Eldridge P	253½	-3	27	132 2435
543	453	Fullers A	445½	-	47	147 2843
340	207½	Gibbs Mew	214	-	60	108 2868
636	548	Greenalls Gp	598½	-9½	35	121 2968
575	567½	Greene King	645½xd	+2½	31	160 2289
226	172½	Grosvenor Inv	185½	-	43	188 2528
259	224	Group Chez Gerard	224½	-1	44	215 4068
357	277	Hardy & H	277	-	48	2831
3425	2700	Holt (J)	3725	-	26	147 3992
72	46	Inn Business	66	+1½	10	321 3877
365	298	Mansfield	344	-	23	158 3222
263½	208½	Marston T	258½	+7	38	85 3301
873	535	Morland	590	x-1	27	150 3415
72½	43½	Paramount	43½	+6	-	2050
547½	277	Pizza Express	545	+5	06	420 4069
438	345	Ransdens (H)	360	-2½	16	407 2011
351½	196½	Regent Inns	351½	+7	06	403 2301
700	601	Scott New B	685	x+4	38	201 3944
383	248	Vaux Group	255	x+6½	52	121 4392
1255	840	Wetherspoon JD	1125	-	10	203 2967
788½	672	Whitbread	776½x+7		26	158 4486
693	578	Wolvk Dudley	646½x+8		33	142 4530
462½	357	Yates Bros	452½x+8		-	1100 4520
650	425	Young Bros A	650	-	31	247 4500
580	367	Young Bros	527½	-	36	210 4594

Building/Construction

1996/97 High	Low	Stock	Price	Chg	Yld	Index PE/Code
121	88½	AMEC	94½	-½	41	154 1589
202	130	Abbey	190	-4	38	165 1533
295	202½	Allin	252½xd	+7	34	153 4949
500	232	Alpha Grows Sts	492	-3	13	118 1935
46	29	Ashead	22½	-½	17	250 1968
38	26	Avonside	32	-	38	- 1270
82	48½	Banner Homes	56½	+7	16	81 1948
68	34	Beazer	50	x+½	20	167 1487
269	219	Bennett Dev	252½	+2	41	142 1768
253	163	Beaufor	194½	-	39	198 2636
348½	249	Bellway	305	x+2	34	153 1958
21	14½	Bellwinch	17	-	-	1000 -
648½	483	Berkeley	611½	x	17	153 1913
175	133	Bob Bros 20p	151	x-	43	49 1922
32½	26	Bow	34½	+3	-	421 5938
250	175	Bovis (Henry)	230	-	42	88 1899
160	104	Bryant Gp	150½	-	42	234 1922
108	88	CALA	105	-	42	150 2034
20	5	Campbell A	9½	-	-	2048
130½	74	Cate UK	107	x+½	12	158 1840
83½	37	Clarke (T)	58½	-	35	- 2155
103	39	Classen	43	-	-	- 1245
67	58	Countryside	62	-	36	207 2348
87	54½	Crest Nichols	98	-	29	228 2328
89	65½	Cruden Prop	70	+1	70	113 2295
55	40	EBC	48½	-	58	125 2481
63	50	Eng Group	53	-	13	- 3508
23	15	Galliford	17	-	24	219 3653
907½	733	Gleeson M.J.	880	x	23	191 2703
61	35½	Green (E)	46½	-	27	- 2784
579	285	Hawtock Euro	305	-	16	230 1540
118	79	Heron Gen	103½	-	29	128 2916
132	72	Higgs & Hill	95	+2	33	- 2669
48	35½	Jackson	40½	+½	62	116 1807
14	12	Jarvis	13½	-	14	840 3000
323	244½	Laing (J)	292½	+4½	-	3622
323	231	Laing (J) A	293½	+3½	40	458 3221
97	57	Lang OrP 64%	102½	+2	-	7 -
21	6½	Lovell W	7½	-	-	- 3324
216	182½	Maundrell J	190½	+5	42	141 2522
197	132½	McAlpine A	190½	+½	-	- 4992
108½	66	McCarthy&S	108½x+1		27	157 3318
205	81	Morgan Sindall	190½	-	27	191 4027
347½	222	Morrison Const	248½	-	24	167 1033
116½	68½	Mowlem J	78	-	21	190 4027
242	172	Pearson	221	+3	54	234 3841
120	85	Pochin	115	-	27	169 -
145	97	Powning	99	x+1	46	328 5097
20	12	Raine	19½	-	-	238 3360
285	183	Ryan	283	+6½	32	148 4840
139	105½	Tay Homes	127½	-	65	557 4176
192	115	Taylor Wdrw	197½	+4½	21	192 4277
367½	308	Tilbury Doug	362	-	22	1000 4577
18½	10½	Try Group	18½	+2	-	1000 -
25	3	Tully Cabin	15½	+½	52	65 3809
93	62½	Vibroplant	63	-	40	1000 4357
53	35½	Ward Hldgs	45½	+½	32	213 4488
243½	190	Westbury	241½	-	-	350 4502
9½	4½	Wiggins	8½	+7	-	234 4568
133	147	Wilson (C)	188	+1½	34	234 4568
482½	354	Wilson Bowden	482½	+3	26	227 4568
130	121½	Wimpey (G)	127½	+½	54	- 4568

Building Materials

1996/97 High	Low	Stock	Price	Chg	Yld	Index PE/Code
237½	193	Anglian Gp	221½x+1		46	208 2087
393	294	BPB Inds	387½x+2		32	187 1888
213	151	Baggeridge	197½	-	-	4 1723
41	29½	Beaton	33½	+½	-	74 145 2039
65	33½	Bicesters	64	-	-	- 1953
48½	32½	Blue Circle	38½	+½	42	223 1969
216½	187½	Blue Cir Cnv Pf	194	+8½	49	- 4520
97	77	Braedon	89½	-	-	59 1000
130	108	Bx Dredging	118	-	57	18 1992
673	473	CRH	601	-	17	18 1992
242	201½	CSR	231½	-½	62	105 -
176½	140	Cape	175½	-	78	- 2091
555½	395½	Davidson	391½	+1½	47	199 3486
240	200	Epwin	237½	+1	47	139 3486
103½	73½	Fibre	102½	-	-	- 1000
703½	448	Galton	699½	-½	-	32 154 2807
408	341½	Hasland J	98½	-	31	98 1448
10½	79	Heiton	255	-1½	13	147 2872
321	244½	Hepworth	73½	+1	45	146 2897
72½	38	Hewetson	73½	+1	19	118 2891
294½	235	Heywood W	244	+5	21	118 2891
78	55½	Ibstock	68½	-	38	157 3354
34	253	Johnson Cp	258½	-	31	193 3054
500	335	Johnson	398½	-3½	06	1000 -
531½	98	Kingspan	123½	x	49	34 3188
133	39	Lafarge J	65½	-	93	104 3165
88	65	Lilishall	88½	+1½	45	149 3334
55	12	Meley	145	x+5½	45	158 3300
194	131½	Marshalls	373	x+6½	39	333 3364
471	347½	Meyer Int	371	+6½	57	289 3463
154½	59	Newman Tnks	154½	+½	-	- 3608
108	84½	Norcros	92½	x+4½	47	198 3952
223	141	Pilkington	223½	-	16	201 3800
235½	79½	Polypipe	15	-	-	- 3800
97½	72	Quilipak	95	-2½	33	154 3838
198½	128	RMC	168	-2½	60	139 3953
408½	337½	Redland	344½	-1	60	107 4992
123	77	Rinker	95	+½	47	247 3662
140	91½	Rugby Gp	92½	-	36	122 3857
131	62½	Russell A	81½	-	31	191 3599
212½	155	Sharps & F	213	-	-	- 4992
27	10½	Spring Ram	15½	-	-	- 4700
37	16	Tarmac	20	-	63	- 4800
135	85	Tilon	103	-	25	207 3913
147	91½	Travis Perkin	479	-	28	152 4628
485	360	Travis Perkin	469½x+6		28	152 4628
51½	45	Wolseley	-	-	-	- -

Chemicals

1996/97 High	Low	Stock	Price	Chg	Yld	Index PE/Code
207½	156	Albright & Wil	187	+½	48	142 5017
119½	109½	Ald Colloid	125	-	25	127 1584
233	125	Amber Ind	138½	-	-	- 1000
948	819	BOC	867½x+9½		40	155 1880
334½	298	BTP	328	-	27	328 1945
118½	70	Brent Ind	230½	-½	47	248 1927
249½	192	Bti Vita	230	x+2	57	164 2033
381½	322	Carring(W)	380½	x3	61	204 2350
469½	367	Courtaulds	390½	x3	61	204 2350

Electricity

1996/97 High	Low	Stock	Price	Chg	Yld	Index PE/Code
81	69	British Energy Pf	157	x+2	67	- 1421
737	478	East Midlands	688	-	53	10 4694
673	555	London Elec	688	+1	25	105 4327
208	194½	National Grid	199	x+1½	70	180 4600
264	224½	Nat Power	246½	x-8	63	168 4668
724	484	Northern	658	+1	54	69 4656
455	308	Nthn Ireland	357½	-1	67	87 4669
465	402	PowerGen	556½	+8	48	88 4697
372	271½	Scot Hydro	323½	-1½	64	81 3918
394½	298½	Scottish Pwr	347	-	59	92 4698
910	607	Southern	791½	+1½	69	92 4698
690	650	Yorkshire	663½	-	58	104 4669

Electronics

1996/97 High	Low	Stock	Price	Chg	Yld	Index PE/Code
38	16	Acorn Comp	19½	-	-	- 1917
235½	134	Aimtead	145½	-1	24	- 1904
83	65½	Arlen	46½	-	24	113 1947
184½	110	Aztec (BSR)	152	-	13	189 1984
382	246½	BICC	268½	-½	-	17 -
257	200	Bullds Hunter	213	-	76	78 1781
67	38½	Bullds Inctrv	42½	-	97	64 2560
33½	16½	Gardner	29	+½	38	168 4897
83	63	Gates FG	85	-	40	125 2681
81	30½	Glandwick	59½	-	22	104 2258
363½	300½	Hasdham Gp	349½	+6	23	230 2681
669	487	Henlys Gp	599	-	29	144 3875
242½	153	ISA Int	230	-	14	209 3003
316	231	Inchcape	286	+6	39	227 2934
260	169	Nth Fit	233	-4½	28	187 3801
350	249	Lee Service	339	-½	54	118 2800
155	105	Lookers	106	-	54	62 3268
9½	5½	Middlex Hldg	6½	+½	14	103 2165
949	330	Northamptn	310	+9½	09	82 3565
211	145	Perry	202½	+2	62	103 3940
732½	622	Premier Farnell	732	-8	19	202 2967
195	135	Quickn Gp	146½	-	56	110 3948
327½	185	REA Hldgs	315	o+7½	15	378 3349
54	20	Ronson	27	-	69	69 3449
4½	2	Ross Group	3	-	-	- 4495
125	60	Sellins	68	+1½	18	220 2515
308½	194	Sandown Bml	284	-2½	20	115 3916
378	337½	Spandex	352½	x-	11	197 4099
301½	128	UMECO	240	x+5	26	122 4669
332½	253½	Vardy (Reg)	292½	-	22	137 5349
500	325	WF Elect	500	-	32	213 4497
59	25½	Wilshaw	31½	+½	34	93 4565
151½	75½	Wylex Gp	151½	+3½	17	229 4547

Diversified Industrials

1996/97 High	Low	Stock	Price	Chg	Yld	Index PE/Code
1½	0½	Anglo United	1	-	-	40 1916
288	208	Ansdell	328	+1½	20	128 1535
387	283	Assd Hldgs	311	+3½	21	- 2385
840	228	BTR	358	-7	46	194 1897
224	132½	Bestwood	140½x+1½		40	237 1609
147½	108	Bibby (J)	133½	-	70	78 1628
65	50½	Blackley	55½	-	63	- 93
372	215	Charter	231½	+3	48	134 2009
23½	13	Cookson	24	+4	44	182 1525
222½	141	Cossell	220	-	59	130 2266
141½	109½	Gampen Hldg	120½	-	65	124 2751
133½	75½	Hanson	85½x+½		75	43 2825
172½	118½	Hardn&Cous	133	+½	85	131 2840
45½	34½	Hewden	39½	-	43	- 2699
482	339½	Hunt Wtmp	483	-1½	15	221 -
583½	344½	Jardine Hdg	385½	+½	37	- -
217½	161½	Lonrho	188	+2½	46	153 3227
168	139	Pacific Dunlop	138	-	79	- -
41	28	Porter Chadbn	29½xd	-	51	107 2694
478	368	Powell Duff	400	-	78	157 3203
148	97	Pognor	120½	-	86	104 3856
243½	155	Slime Derby	245½	+4½	20	222 -
282	178½	Staveley	195½	-	62	133 4102
59	54½	Swallowfld	59½	-	69	- 3168
607	489½	Swire Pac	560½	+1	20	241 -
356	238	TT Group	331½	-	28	158 4335
294½	232½	Tomkins	293½	+4	45	145 4244
522½	385	Wardle Strys	428	+½	48	134 4413
327½	254	Wassall	327½	+2½	34	113 4436
122	42½	Wolrey	64½	-	71	187 4459
388½	300½	Williams H	342	+3½	53	153 4595
237	129½	Wilkinson	156½x+1½		40	125 4494

Distributors

1996/97 High	Low	Stock	Price	Chg	Yld	Index PE/Code
23	12½	AB Leis	18½	-	80	25 4405
158½	110	Abbeycrest	148½	-	31	188 1502
582	471½	Acal	485½	-	23	156 5098
170½	123½	Acton Comp Sprs	157½x+2½		-	- 1000
465	387½	Adam & Harvey	387½x+1½		72	60 1043
18	10½	Alexandra	14	-	27	- 5662
113	67½	Appleyard	72½	-	107	83 1929
4	3	Asa Bi Eng	3½	-	23	- 1573
600	505	BBS Op	545	+47½	47	83 1933
38	18½	Band	25½x+1		54	180 1979
686	408	Blackmor H	634	-	23	181 1938
113	78	Bill Filings	100	-	47	114 1910
310	245	Cathyns	307½	-	47	128 2031
120	105	Cavendish	118½	-	34	63 3944
92	82	Central Mt	82	-	-	- -
79	54½	Cook DC	54½	+½	52	64 2231
175	94½	Dagenham	99	+½	97	70 4554
343	185	Dalgetys	265	-	26	- 5037
125½	63½	Dermrex	130½	-	25	134 2337
434	339	Diploma	387½	-	49	139 2254
427½	328	Electrocomps	453½x+½		19	225 3439
314	125½	Eurodis Electron	186½	+3	33	180 3441
105	76	Europn Motor	80	x-	83	82 3022
375	217	Evans Halshw	239	-	88	53 2506
250	250	Fisher Peter	234	x-	60	100 2967
67	38½	Fife Indm	42½	-	97	64 2560
33½	16½	Gardner	29	+½	38	168 4897
83	63	Gates FG	85	-	40	125 2681
81	30½	Glandwick	59½	-	22	104 2258
363½	300½	Hasdham Gp	349½	+6	23	230 2681
669	487	Henlys Gp	599	-	29	144 3875
242½	153	ISA Int	230	-	14	209 3003
316	231	Inchcape	286	+6	39	227 2934
260	169	Nth Fit	233	-4½	28	187 3801
350	249	Lee Service	339	-½	54	118 2800
155	105	Lookers	106	-	54	62 3268
9½	5½	Middlex Hldg	6½	+½	14	103 2165
949	330	Northamptn	310	+9½	09	82 3565
211	145	Perry	202½	+2	62	103 3940
732½	622	Premier Farnell	732	-8	19	202 2967
195	135	Quickn Gp	146½	-	56	110 3948
327½	185	REA Hldgs	315	o+7½	15	378 3349
54	20	Ronson	27	-	69	69 3449
4½	2	Ross Group	3	-	-	- 4495
125	60	Sellins	68	+1½	18	220 2515
308½	194	Sandown Bml	284	-2½	20	115 3916
378	337½	Spandex	352½	x-	11	197 4099
301½	128	UMECO	240	x+5	26	122 4669
332½	253½	Vardy (Reg)	292½	-	22	137 5349
500	325	WF Elect	500	-	32	213 4497
59	25½	Wilshaw	31½	+½	34	93 4565
151½	75½	Wylex Gp	151½	+3½	17	229 4547

Engineering

1996/97 High	Low	Stock	Price	Chg	Yld	Index PE/Code
301	160	600 Gp	221	x-2½	27	44 4033
375	277	AIM	370	-	13	332 1937
38	19	APV	28	+1	48	- 1930
43½	33½	ASW	33½	-	149	- 5084
457	325	Alumasc	346	-	29	142 1575
175	101	Alvis	137	x+7½	27	155 4930
141	105	Apollo Mts	110	-	50	- 1000
23½	12	Arable	15½	+½	80	- 2394
201½	164½	Ash & Lacy	201½	+½	42	151 1953
638	636	Aztec Comp	655	-	41	143 1991
930	284	BBA	388½	+12½	22	213 1776
193	120½	BMI	135	-	67	101 1988
145	44½	Babcock	78	x	32	- 2957
144	98	Bayface (C)	131½	-	38	183 1777
44½	24	Beaufort	44	-	-	- 1805
80	38	Benton Co	51½	-	-	- 1535
105	77	Bilom	85	-	78	- 1535
28½	17½	Black&Decker	26½x+½		15	- -
622½	379	Bodycote	605	-2½	41	334

The myth of the upwardly mobile

The Conservative Government's single-minded creation of a deregulated and flexible labour market has made Britain the stage for a unique natural experiment during the past 20 years. The payoff has been, finally, one of the lowest unemployment rates among industrial countries. This has made Britain an example that is starting to tempt politicians on the Continent, especially in Germany and France, fearful of the electoral consequences of their jobless levels.

Yet the experiment has had other, less appealing, results. Earnings inequality in the UK has risen faster than in any country apart from the US. The distribution of men's wages is more unequal now than at any time since comparable records began in 1870. This, too, has a political cost. The latest British Social Attitudes survey shows that nine out of ten Britons think the gap between high and low incomes is excessive.

The political debate over the years about the merits of the Government's labour market policies has been clouded by a lack of hard facts. In particular, growing inequality might not matter if it is matched by growing opportunity, so that a wider income distribution at any point in time is offset by greater upward income mobility. Britons might have become more like the many Americans who start their career serving in a fast-food joint but work their way up the ladder, giving more equal lifetime incomes. So, at least, the Government has claimed.

The information needed to assess this claim properly is becoming available. A new publication from the Centre for Economic Performance contains the most comprehensive summary so far of research on what impact the new flexibility has had on incomes and job opportunities, at least for men.

The research has been made possible by the availability for the first time of several "panel" data sets. These contain years' worth of information on thousands of individuals, from official national insurance records and from surveys, allowing specific employment and income histories to be tracked.

Recent academic research has therefore been able to present several conclusions about the results of the British experiment. Sobering reading it makes, too. Consider the following conclusions, which economists would call "stylised facts", about the UK labour market.

☐ Fact 1: Wage mobility has diminished over time.

The degree of movement up the wage distribution was about a quarter lower in 1995 than in 1980. Most of that decline occurred in the early 1980s but the trend has continued since then. Lower inflation is part of the explanation, however: there is much less movement within the income distribution when increases in incomes are low.

☐ Fact 2: Wage mobility is higher for the young and concentrated in the first year of work.

This result is not surprising, but it does imply that people who do not escape low pay early in their life will find it much harder later. The average person gains as much in their income in the first year of work as they add in the next four years. About 45 per cent of men leave low pay in their first working year, and only half as many in their second year.

☐ Fact 3: Most people who move up the income distribution do not move far.

Peter Lilley, the Social Security Minister, has made much of the finding that of the men aged 25-34 in 1978/79 whose earnings were in the bottom tenth of the distribution, only 13 per cent were still in that lowest tenth in 1992/93. True, but a full third of them remained in the bottom three-tenths of the earnings distribution and another 18 per cent were claiming benefits. Just under 16 per cent had made it to the top half of the earnings distribution.

Diane Coyle

The political debate over the Government's labour market policies has been clouded by a lack of hard facts. New research makes sobering reading

The picture is bleaker for an older age group, aged 35-44 in 1978/79. As the chart shows, there was more downward mobility for this age group. Nearly one in five of the bottom tenth were still in the bottom tenth 15 years on, with 37 per cent in the bottom three-tenths. And 27 per cent were on benefits. Under 7 per cent had climbed into the top half of the earnings scale.

☐ Fact 4: People who leave unemployment for a low-paid job have a higher chance of becoming unemployed.

In perhaps the most telling result about the jobs market, only half of the prime-age men who were the lowest paid at the start of the Conservative era still had a job 15 years later, and only 60 per cent of the younger men. Of those who had been unemployed in 1978/79, 78 per cent (or 64 per cent of the younger group) were unemployed in 1992/93.

"There is evidence of a cycle of low pay and no pay," one of the papers in the CEP report concludes. The British figures display the phenomenon American researchers have labelled "recidivism": those who leave poverty have a propensity to fall back into it.

☐ Fact 5: The fall in entry-level wages has increased the number of two-job couples.

Pay at the bottom end of the jobs market has fallen by more than a tenth in real terms since 1980, to an average of just under £100 a week. This has tightened the poverty trap – there is less chance of getting a job that makes it worth giving up benefits. One result has been that while the probability of moving from non-employment into work has fallen for single men and women, and married men, it has nearly doubled for married women whose husbands already work. Increasingly, couples have either no jobs or two jobs because the level of pay at the bottom of the earnings distribution is too low to support a family or warrant giving up benefits.

The bottom line is that during the past two decades, lifetime opportunities have been no more fairly distributed than incomes at any single point in time. This depressing list does prompt some fairly obvious policy conclusions. Paul Gregg, editor of the new CEP volume, focuses on two. First, make entry-level jobs more viable, by reducing tax, for example (as shadow Chancellor Gordon Brown plans to do with a 10p or 15p starting rate). Secondly, getting the unemployed into work is not enough: there is also a need to move people on to higher incomes and to reduce their risk of becoming unemployed again.

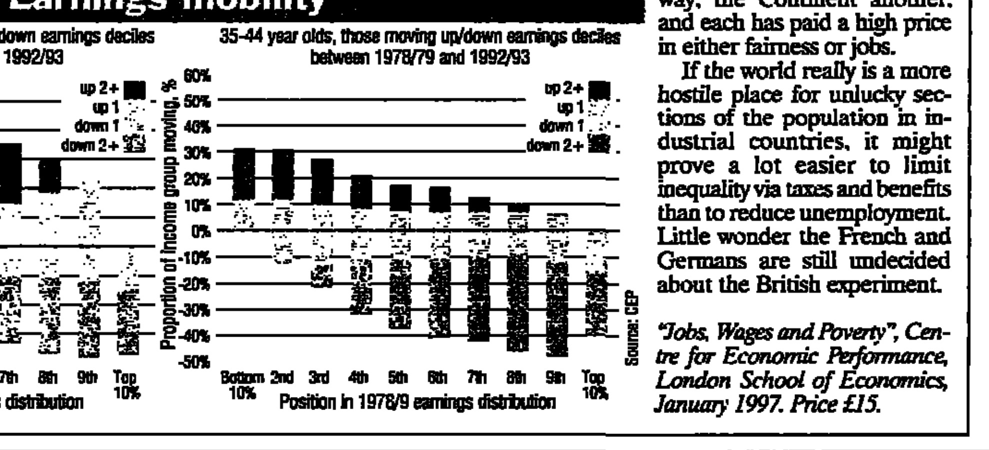
However, the existence of a large group of people who stand little chance of leaving poverty and unemployment behind them is not enough to condemn the entire British labour market experiment. To the extent that it has reduced unemployment, greater flexibility is welcome, for those with no job are worse off than those with a badly paid job, and generally unhappier too.

A greater caveat has to be that the evidence sheds no light on how much the Government's labour market shake-up is to blame for the trend towards greater inequality, nor on how far the trend will go. There is a strong case for arguing that influences far beyond the UK, such as new communications technologies or international trade and investment, account for it. Britain has reacted one way, the Continent another, and each has paid a high price in either fairness or jobs.

If the world really is a more hostile place for unlucky sections of the population in industrial countries, it might prove a lot easier to limit inequality via taxes and benefits than to reduce unemployment. Little wonder the French and Germans are still undecided about the British experiment.

"Jobs, Wages and Poverty", Centre for Economic Performance, London School of Economics, January 1997. Price £15.

Earnings mobility



Move quickly to enter bears in sloth contest

PEOPLE & BUSINESS

London Zoo is reopening one of its favourite landmarks, Bear Mountain, this Easter, and populating it with sloth bears, a peaceable yet threatened species from Sri Lanka.

To mark the refurbishment of London's only realistic mountain range, the London Zoo is appealing to readers for nominations for "two top City bear traders of 1996, or likely candidates for 1997".

Each of the City bears would receive a free sloth adoption, worth around £1,000. The City pessimists would also get a photograph and certificate and a chance to visit the sloths when they arrive. Call Charlotte Phillips on 0171-240 9900 with nominations.

When **Richard Branson**'s trans-world balloon landed with a bump in the early hours of yesterday morning, it wasn't just the bearded entrepreneur's considerable ego which lost out.

City Index, the spread betting specialists, reckoned on Mr Branson and his pals staying aloft for 13 to 15 days, making it roughly three-quarters of the way around the world. In the event Mr Branson's thrill-packed eight hours aloft counted as one day, according to City Index.

Neil Murphy of City Index says: "It's a great disappointment. We lost about £800. There were some big sellers but luckily some buyers saved our bacon. About 40 people placed bets."

Mr Murphy was going to donate all profits from the bets to Mr Branson's nominated charity and, if the Virgin man had completed the trip, he would have doubled that amount.

It was not to be. But Mr Hughes is hopeful. "If Mr Branson's balloon is in good working order, and if the American and Swiss balloon attempts fail, then he may have another go in two weeks' time. We would support him."

Intriguingly, Mr Hughes says City Index thought about taking bets on Kevin Keegan's survival at Newcastle, but turned down the idea since they knew something was up some time ago and "so did the high-street bookies".

Hanging around: Sloths are coming to London Zoo

The Curzon Partnership, a 10-partner headhunter in London which specialises in City and IT recruitment, has just hired a singer-songwriter who specialises in Indy-rock-soul music.

Ian Hughes, 33, also has a string of engineering degrees from Cambridge and a background in management consultancy, but rocking the house is his first love.

"I've played in bands since I was a teenager and I'm never going to give it up," Mr Hughes tells me.

So why go into headhunting? "It is an exciting new challenge for me," said Mr Hughes. Maybe. If anyone wants to find out whether Mr Hughes can convincingly "rock out", he hopes to get a gig at the Turk's Head in Twickenham. Party on, dudes.

Full marks for the funniest press release I've seen this year: "Many UK companies are not convinced of the real benefits of floormats, according to a recent research report commissioned by leading Dust Control Mat manufacturer WOM International."

You said it. **Neville de Sousa**, WOM's group sales director, declares: "The number of big and small customers not currently using mats is quite staggering – the one message that we need to deliver loud and clear is that everyone needs them." Consider the message delivered, Neville. And mind your feet.

One of my colleagues was lunching with Zeneca's chief executive, **Sir David Barnes**, and other company bigwigs yesterday, and was interested to find that these lunches are held in a *bijou* flat within Zeneca's London head office.

It transpires that Zeneca has four such mini-flats within the head office. When it converted the building two years ago, Westminster Council directed that it would have to have a mix of residential as well as business uses.

Not that you could buy a flat inside Zeneca. They're all used for company entertaining. I'm not sure that was what Westminster Council had in mind.

I'm happy to mention that it was the freelance illustrator, Daniel Taylor of Fulham, who drew the cartoon of **Jimmy Herbert**, Britain's oldest full-time stockbroker, that we used yesterday.

John Willcock

Foreign Exchange Rates

as at 7/1/97

	Sterling			Dollar			D-Mark
Country	Spot	1 month	3 months	Spot	1 month	3 months	Spot
US	1.6953	12-10	38-35	1.000	—	—	0.6399
Canada	2.3027	54-49	164-156	1.3584	24-23	75-73	0.8692
Germany	2.6493	69-61	203-193	1.5628	30-28	90-87	1.0000
France	8.9467	217-198	640-608	5.2775	86-81	269-258	3.3771
Italy	2603.6	31-45	103-123	1535.8	28-35	91-101	982.755
Japan	195.46	95-91	281-276	115.30	48-47	149-147	73.7802
ECU	1.3649	21-18	66-61	1.2421	13-14	44-45	0.5152
Belgium	54.588	15-10	42-36	32.200	7-5	20-17	20.6050
Denmark	10.103	222-177	655-556	5.9597	99-79	298-247	3.8136
Netherlands	2.9754	82-74	240-226	1.7551	39-37	121-115	1.1231
Ireland	1.0151	5-1	16-10	1.6701	6-3	10-6	0.3831
Norway	10.948	160-90	380-270	6.4580	50-25	119-69	4.1324
Spain	222.93	3-13	5-13	131.50	8-12	23-31	84.1465
Sweden	11.806	220-160	690-580	6.9642	41-16	152-101	4.4563
Switzerland	2.2937	85-76	239-226	1.3530	40-37	119-114	0.8658
Australia*	2.1482	10-16	15-25	1.2672	14-16	33-35	0.8109
Hong Kong	13.120	93-52	240-183	7.7391	2-0	2-7	4.9522
Malaysia	4.2354	0-0	0-0	2.4984	27-30	80-85	1.5967
New Zealand*	2.3886	64-71	155-168	1.4089	54-56	97-99	0.9016
Saudi Arabia	6.3576	0-0	0-0	3.7503	1-4	5-9	2.3998
Singapore	2.3797	0-0	0-0	1.4037	24-19	70-65	0.8982

Other Spot Rates

as at 7/1/97

Country	Sterling	Dollar	Country	Sterling	Dollar
Argentina	1.6954	0.9999	Nigeria	131.916	77.8000
Austria	18.6380	10.9943	Oman	0.6528	0.3850
Brazil	1.7638	1.0402	Pakistan	67.9595	40.0799
China	14.0694	8.2976	Philippines	44.6282	26.3200
Egypt	5.7625	3.3999	Portugal	265.798	156.790
Finland	7.9386	4.6819	Qatar	6.1706	3.6407
Ghana	2932.18	1730.00	Russia	9486.88	5595.00
Greece	416.439	245.600	South Africa	7.9168	4.6690
India	60.8571	35.8950	Taiwan	46.6629	27.5200
Kuwait	0.5087	0.3000	UAE	6.2281	3.6731

Forward rates quoted high to low are at a discount: subtract from spot rate
rate quoted low to high are at a premium: add to spot rate
*Dollar rates quoted as reciprocals.
For the latest foreign exchange rates call 0891 123 3033.
Calls cost 50p per minute (day rate) 45p other times.

Interest Rates

UK		Germany		US		Japan	
Base	6.00%	Discount	2.50%	Prime	8.75%	Discount	0.50%
France		Lombard	4.50%	Discount	5.00%	Belgium	
Intervention	3.15%	Canada		Fed Funds	5.25%	Discount	2.50%
Italy		Prime	4.75%	Spain		Central	3.00%
Discount	7.5%	Discount	5.00%	10-Day Repo	6.25%	Switzerland	
Netherlands		Denmark		Sweden		Discount	1.00%
Advances	2.50%	Discount	3.25%	Repo (Ave)	4.10%	Lombard	4.125%

Bond Yields

HSBC Markets Research

Country	5yr	yield %	10yr	yield %	Country	5yr	yield %	10yr	yield %
UK	7%	7.38	7¼%	7.72	Netherlands	8¾%	4.72	6.0%	5.80
US	5⅞%	6.20	6.50%	6.42	Spain	8.40%	5.91	8.80%	6.94
Japan	5.5%	1.78	3%	2.41	Italy	8.25%	6.82	8¾%	7.64
Australia	9¾%	7.06	10%	7.58	Belgium	5%	4.65	7%	6.10
Germany	8.25%	4.91	6.25%	5.93	Sweden	13%	5.50	6.0%	6.80
France	7.0%	4.63	6.5%	5.86	ECU OAT	8%	4.90	7%	6.24

Yields calculated on local basis. †new benchmark

Money Market Rates

as at 7/1/97

	O'Night	7 Day	1 Month	3	6 Months	1 Year
Interbank	5 6 1/16	5 15/16 6 1/16	6 3/32 6 7/32	6 1/16 6 5/16	6 1/4 6 3/4	6 11/16 7 1/16
Sterling CDs	-	-	6 1/16	6 7/16	6 1/2	6 13/16
Local Authority Deps	5 15/16	5 13/16	6 1/16	6 3/16	6 1/2	6 13/16
Discount Market Deps	6 1/16	6 1/16	-	-	-	-
Treasury Bills (Buy)	-	-	6	6 1/4	-	-
Dollar CDs	-	-	5.15	5.19	5.25	5.45
ECU Linked Dep	- -	- -	4 5/16 4 1/16	4 5/16 4 1/16	4 5/16 4 1/16	4 1/4 4 1/2

Tourist Rates

as at 7/1/97

£ Buys		£ Buys		£ Buys	
Australia(Dollars)	2.0800	France(Francs)	8.6675	New Zealand(Dollars)	2.3230
Austria(Schillings)	18.0800	Germany(Marks)	2.5725	Norway(Kroner)	10.6750
Belgium(Francs)	52.9000	Greece(Drachma)	407.5000	Portugal(Escudos)	260.0000
Canada(Dollars)	2.2800	Hong Kong(Dollars)	12.8000	Spain(Pesetas)	216.1000
Cyprus(Pounds)	0.7700	Ireland(Punts)	0.9850	Sweden(Kronor)	11.5900
Denmark(Kroner)	9.8575	Italy(Lira)	2551.0000	Switzerland(Francs)	2.2300
Holland(Guilders)	2.8875	Japan(Yen)	193.5000	Turkey(Lira)	179312.0000
Finland(Marks)	7.8600	Malta(Lire)	0.5945	United States(Dollars)	1.8580

Liffe Financial Futures

as at 7/1/97

Contract		Settlement price	High/Low for day		EstConts traded	Open interest
Long Gilt	(Mar 97)	108-09	108-17	108-00	54782	133777
German Gvt Bd	(Mar 97)	99.58	99.73	99.32	185748	206312
Italian Bond	(Mar 97)	127.73	127.96	126.85	45993	89277
Japan Gvt Bd	(Mar 97)	124.33	124.41	124.17	2110	n/a
3 Mth Sterling	(Mar 97)	93.32	93.34	93.29	16584	95810
	(Jun 97)	93.02	93.05	92.97	19731	88256
3 Mth Euromark	(Mar 97)	96.88	96.89	96.87	27262	207557
	(Jun 97)	96.83	96.84	96.79	19048	170245
3 Mth Eurolira	(Mar 97)	93.39	93.40	93.32	12679	97019
	(Jun 97)	93.81	93.82	93.73	6236	55970
3 Mth Euroyen	(Jun 97)	99.40			0	n/a
3 Mth Euroswiss	(Mar 97)	98.10	98.15	98.03	9094	44296
	(Jun 97)	97.99	98.04	97.90	5290	18817
3 Mth ECU	(Mar 97)	95.93	95.93	95.90	1089	9400
	(Jun 97)	95.93	95.94	95.92	184	4576
FTSE 100	(Mar 97)	4082.0	4113.0	4075.0	11132	55425
FTSE 250	(Mar 97)	4600.0			0	5072

Liffe FTSE Index Option

Settlement price: 4086.00 — closing offer price

Series	4000	4050	4100	4150	Call/Put Total/vols
Jan	89/9	47/18	19/41	4/83	--
Feb	128/33	91/49	61/70	38/99	--
Mar	142/57	108/74	80/97	56/122	--
Apr	161/76	129/93	101/116	77/141	--

Energy

Brent Crude	($/barrel)		Gas oil ($/tonne)			WTI		Products †	($/tonne)
IPE	5.30pm	*chg Yr ago	IPE	close	*chg		6pm	Spot CIF NW Europe	
Feb	24.43	-0.08	Jan	230.25	+0.75	Feb	26.20	Prem.Unleaded	222/224
Mar	23.90	-0.08	Feb	228.00	-0.25	Mar	25.50	Naphtha	231/234
Apr	23.30	-0.04	Mar	218.25	-0.75	Apr	24.80	EC Gasoil	232/233
Vol: 27487	Index: 24.65		Vol:	15391		May	24.10	Heavy Fuel Oil	117/119

*since 5.30pm previous day. Year ago prices average for week. Source ICIS-London Oil Reports †6pm prices

Commodity Indices

GSCI Indices

	Base date	+Spot	%chg Day	31 Dec	%chg YTD	Year ago	%chg Yr
Index	1970=100	224.36	-1.96	215.26	+4.23	208.89	+7.41
Agricultural	1970=100	233.64	+0.66	231.23	+1.04	279.60	-16.4
Energy	1983=100	91.45	-3.23	85.86	+6.52	75.60	+20.96
Industl Metals	1977=100	173.18	+0.99	168.79	+2.59	187.14	-7.47
Livestock	1970=100	189.35	-1.07	191.03	-0.88	179.30	+5.60
Precious Metals	1973=100	452.28	+0.40	463.54	-2.43	504.06	-10.28

†Close as of 7 Jan 1997

Industrial Metals

Volumes as at 7/1/97 — London Metal Exchange

	$/tonne Cash	3 mths	Volume	LME Stocks		chg
Aluminium HG	1546.5-7.5	1578-9	56018	957375	+	1525
Aluminium Alloy	1450-60	1465-70	2150	74160	-	320
Copper A	2370-5	2238-7	69167	134700	+	11475
Lead	682.5-3.5	690-1	5167	118400	-	200
Nickel	7030-40	7125-30	21725	49116	+	228
Tin	5750-5	5810-5	3361	10445	-	150
Zinc	1044.5-5.5	1067-8	32792	503000	-	2275

Settlement Conversion exchange rates	£/$	$/Dm	$/¥
	1.6880	1.5733	115.77

Stock volumes & change in tonnes as at Tue 7 Jan '97

Precious Metals

Spink & Son

pm fix /oz	$	£	Coins	$	£		$	£
Platinum	358.50	212.70	Britannia	380	225	Krugrands	356/368	211/218
Palladium	120.00	71.20	Britannia.5 oz	194	115	Sovs	84/95	50/56
Silver spot	465.50	275.85	Britannia.25 oz	98	58	Nobles	363/380	215/225
Gold Bulln	356.60	211.34	Britannia.10 oz	52	31	Maple Leaf	361/378	214/224

Agricultural

Corn Sugar as at 7/1/97 — CMS

Cocoa		Coffee		Barley		Potatoes		Potatoes	
LIFFE	£/tonne	LIFFE	$/tonne	LIFFE	£/tonne	LIFFE	£/tonne	ATA	Gld/100kg
Dec	879	Jan	1338	Jan	92.00	Mar	53.00	-	-
Mar	900	Mar	1303	Mar	93.90	Apr	62.00	Feb	22.80
May	919	May	1270	May	95.10	May	65.00	Apr	13.00
Vol:	7612	Vol:	16763	Vol:	135	Vol:	25	Vol:	117

White Sugar		Freight		Wheat		Corn CBOT	Cents/bushel	
LIFFE	$/tonne	LIFFE	$10/idx pt	LIFFE	$/tonne		Hi-Lo	Settl
Mar	312.20	Jan	1480	Jan	92.00			
May	311.50	Feb	1447	Mar	94.50	Mar	258.50-256.75	257.75
Aug	310.00	Vol:	270	May	96.40	May	260.50-258.75	259.75
Vol	2414	Index	1510	Vol:	402	Jul	261.75-260.25	260.75

Other Softs

Cotton as at 7/1/97

unq	Maize (No.3)**	$/tonne	unq	Jan	Soya Oil§	FL/100kg	90.50
Dec/Jan	Copra (†)	$/tonne	164.00	Nov/Jan	Coconut Oil (†)	$/tonne	782.50
Mar	Cotton (NY)	UScent/lb	74.05	Jan	Sunflower Oils	$/tonne	212.00
Feb	Wool	Acent/kg	690.00	Jan	Rapeseed Oil§	FL/100kg	84.00
Feb	Rubber*	Mcent/kg	311.50	Jan/Feb	Groundnut Oil	$/tonne	675.00

Origin: §Dutch/EC - early origin - †Philippines/Indonesia *Malaysia **N Europe Source: FT Information/Reuters

Latest Unit Trust Prices

[illegible]

Key
d ex dividend
e exit charge when units sold
buy formerly 'offer'
sell formerly 'bid'
x Non SIB recognised funds

Copies of the most recent managers' reports and scheme particulars are available from fund managers free on request

A more extensive list of Unit Trusts and Managed Funds, ranked by performance within each sector and including offer prices, is published in Saturday editions of the Independent

صحكنا من الاجل

Two English clubs linked with Suker

Football

RUPERT METCALF

Davor Suker could be on his way to England, according to media reports in Spain. The Croat international, who has established himself as one of the world's top strikers, has had a fine season with Real Madrid, but it seems that every player has his price.

Manchester United and Arsenal are said to be interested in buying Suker and his Real Madrid colleague, Predrag Mijatovic, a Montenegrin forward who plays for Yugoslavia. There has been no response from either English club to confirm or deny the reports, which add that Arsenal officials are expected in the Spanish capital to watch Real Madrid's Spanish Cup game with Real Valladolid tonight before meeting the two players tomorrow.

Asked yesterday about the alleged interest in his Balkan strikeforce, the Real Madrid coach Fabio Capello said: "Everybody wants players from Real, it's normal, and the English now are the clubs that have got most money of all." The Italian has already made a bid for the Monaco striker, Thierry Henry, and may be about to approach his former club, Milan, for the services of George Weah if he loses one or both of his current front line.

The Spanish transfer market closes for the season next Wednesday, so any deals are likely sooner rather than later. Barcelona have denied reports that terms have been agreed with Middlesbrough for the sale of their Spanish international defender, Miguel Angel Nadal.

The other First Division club in Barcelona, Espanyol, want their former player Adrian Heath as their next coach, according to more Spanish media reports. Heath, now manager of Burnley, said: "I have heard the rumours of unrest at Espanyol, but my managerial career is very much in its infancy and I am very happy with the job I have at Burnley."

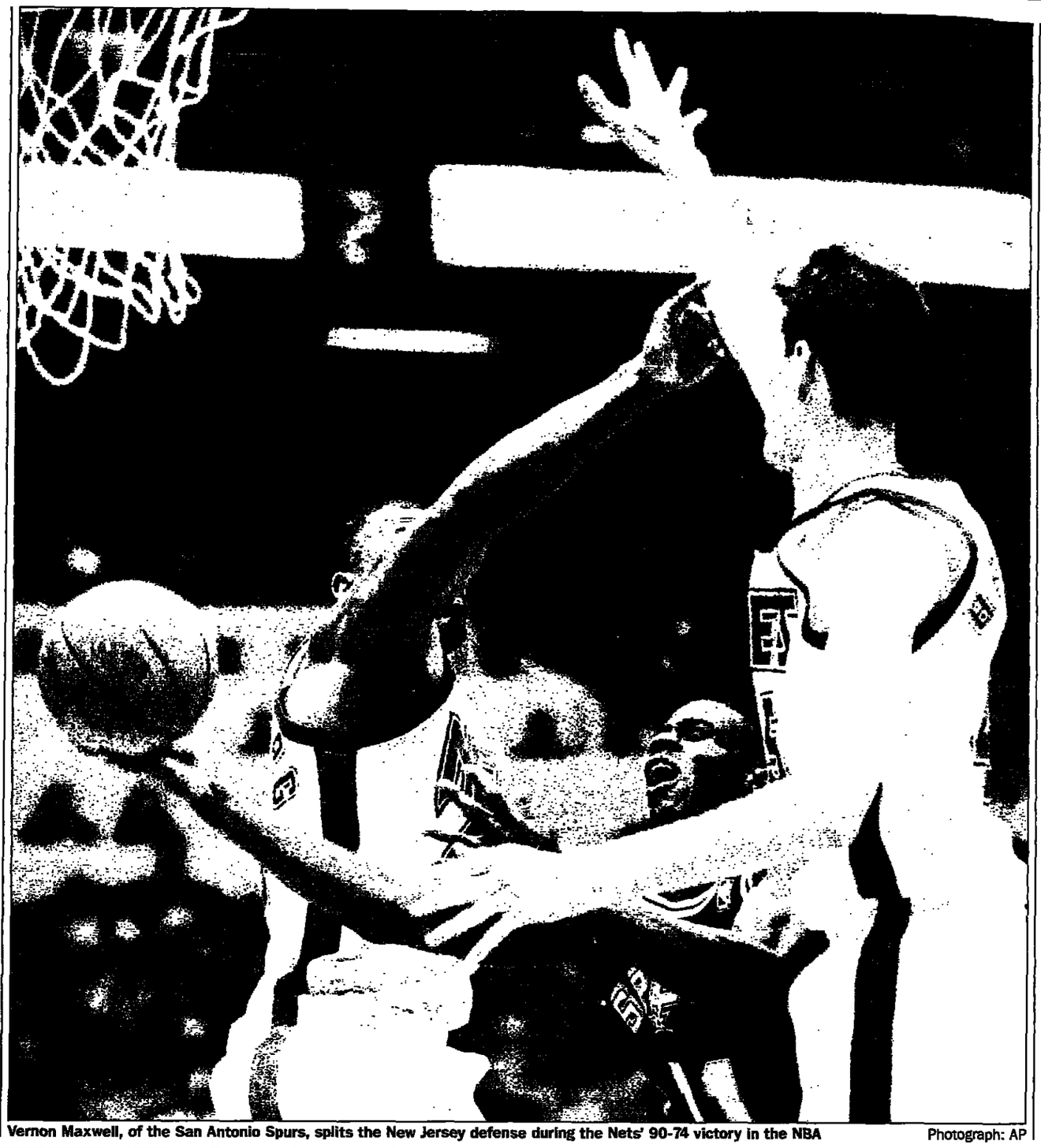
Grimsby Town have confirmed that their caretaker manager, Kenny Swain, will remain in charge at Blundell Park for the rest of the season. Swain took over after Brian Laws was sacked in October.

Liverpool have denied that their England midfielder Jamie Redknapp may be off to Italy in a move to Roma. An Anfield spokesman, Ian Cotton, said: "There is no truth in the story that they have made a bid. Roma have expressed an interest in Jamie but we have told them he is not for sale."

Reading's Australian defender, Andy Bernal, has been saved from a five-match ban after the referee Richard Poulain admitted, after watching video evidence, that he was wrong to send him off against West Bromwich Albion on Boxing Day. Bernal's red card, which was his third of the season, for his clash with Albion's Paul Peschisolido has been changed to a yellow card.

Benito Carbone, Sheffield Wednesday's £3m record signing, could be out of action for several weeks because of a groin injury. The Italian will definitely miss Saturday's home match against Everton, as he will have an exploratory operation today, but his absence could be several weeks depending on the extent of the injury.

Also seeing plenty of the surgeon's knife is the Everton midfielder John Ebbrell, who will have a sliver of bone removed from his ankle this week and will be out of action for up to six weeks.



Vernon Maxwell, of the San Antonio Spurs, splits the New Jersey defense during the Nets' 90-74 victory in the NBA Photograph: AP

Ferrari passes its test

Motor racing

Double world drivers' champion Michael Schumacher yesterday tested Ferrari's new car for the first time. Ferrari launched the new car, the F310B, yesterday in Fiorano, Italy, close to the team's Maranello headquarters.

"Schumacher has driven 12 laps without problem and he is very satisfied," a Ferrari spokesman said. The car will undergo eight weeks of initial testing and possible modifications before the Formula One season opens with the Australian Grand Prix in Melbourne on 9 March.

Meanwhile British designer John Barnard, the man primarily responsible for designing Ferrari's F1 cars over the last decade, hopes to remain with the team despite the arrival of fellow Briton Ross Brawn as technical director.

Barnard, whose F310B car was dubbed "a red Williams" because of its similarities to the Renault-powered car, denied he was poised to leave the team.

His contract ends this year, but he has started talks already about a new deal even though he admitted he would be attracted to a new challenge if Frenchman Alain Prost succeeded in buying Ligier to set up a new all-French team.

"I want to stay in Formula One and I would like to continue working with Ferrari," Barnard said. "But I cannot say yet what the future will hold. I would be very interested in working with Alain, but that is altogether another matter.

"For now, I am hoping to form a good relationship with Ross and to work well with him. I think he will be taking some of the weight off my shoulders."

Brawn's arrival at Ferrari reunites him with Schumacher with whom he worked for four years at Benetton, during which time the German won both his titles.

Punters' war waged with a slingshot

Greg Wood on the organisation aiming to end taxation without representation

Less than 24 hours earlier, many of racing's great and good had donned black tie and ball gowns to dance the night away at a West End hotel, but there was rather less standing on ceremony yesterday as representatives of the people who, ultimately, foot the bill for many of the turf's smartest functions gathered to meet the press in a pub near Victoria station.

When the National Association for the Protection of Punters was formed several years ago, there were many who hoped they would quietly fade away. Yet thanks to the efforts of people like Michael Singer, the chairman and, in effect, a full-time, unpaid worker for the organisation, NAPP is still doing what it can for everyone who is backing in Britain. Funded only by subscriptions (£10 per annum), Singer and his companions face up to the bookies' lobbying organisations with their telephone-number budgets and attempt to highlight the scandalous lack of protection available to customers of one of the country's major industries.

By now, NAPP's activists are well used to official indifference, but even so, a letter sent to the organisation on 20 December by Rodney Brack, the chief executive of the Levy Board, was little short of an insult. The Levy Board is the organisation which administers the £50m raised each year from deductions within the punters' betting "tax".

Brack was responding to a letter from Singer, dated more than two months earlier, requesting a meeting to discuss Levy Board funding for an organisation to represent the interests of punters. After all, as the NAPP chairman pointed out, "this year's Annual Report shows that the Bookmakers Committee received funding to the amount of £266,000. How bookmakers can receive this money when punters, who pay the Levy, receive absolutely nothing . . . continues to be a matter of grave concern."

Brack's response was extraordinary. "I have consulted with the main representative organisations within the bookmaking industry [and] . . . none of them supported the idea." To which a true punter's only response must be: I bet they didn't. Not, at least, while Singer and his companions are overwhelmed by complaints from backers, who are not even required to join the organisation before their problems are investigated. "There are so many queries and problems," Singer says, "but we are increasingly forced to put things on the back-burner."

As an illustration of how inadequate the system for "protecting" punters is, consider the case of Charles Robarts, who took the bookmaker Sonny Purcell to the Tattersalls' Committee, betting's high court, in pursuit of £11,000. The Committee found in his favour, but when its deadline for payment passed at midnight on Tuesday, Robarts's winnings had not appeared.

Or the disappointment of a woman in South Shields who placed a 50p each-way accumulator on the first six of Frankie Dettori's seven Ascot winners. When she returned to claim £4,500, the bookmaker informed her that a clearly separate bet written on the same slip, a losing £1 win double, had been taken as having been included in the Ascot bet. More scandalous still, *The Sporting Life's* Green Seal committee, a self-appointed and anonymous body, agreed with the bookie, even though experienced settlers from all three major bookmakers have stated that the accumulator is clearly a winning bet.

NAPP would like to see an independent ombudsman similar to those overseeing the privatised utilities – OFBET, if you like – to arbitrate in disputes. Sonny Purcell, meanwhile, can expect to find his betting permit under threat when it is next due for renewal, though if NAPP persuades the local magistrate to remove it, it will be the first time a permit has been refused simply for the non-payment of debts.

The campaign for a better deal for Britain's punters from those who spend their money will surely be a long and difficult one. Singer's shoestring foot soldiers deserve our thanks and support.

LINGFIELD

HYPERION

12.30 Hawaii Storm (nb)
1.00 Madrina
1.30 The Frisky Farmer
2.00 Enlisted
2.30 KITTY KITTY CANCAN (nap)
3.00 Just Loui
3.30 Yet Again

GOING: Standard.
STALLS: 5f & 1m – outside, remainder – inside.
DRAW ADVANTAGE: Low often best for 5f & 6f.
■ Left-hand, sharp course (Equitrack surface)
■ Course is south-east of town on B2028. Lingfield station (served by London Victoria) adjoins course. **ADMISSION:** One enclosure £9 **CAR PARK:** Club £3; remainder free.

SIS | RACING CHANNEL

■ **LEADING TRAINERS WITH RUNNERS: A Moor** — 42 winners from 404 runners gives a success ratio of 10.4% and a loss to a £1 level stake of £42.25; **G L Moore** — 10 winners, 296 runners, 11.5%, –£58.42; **R O'Sullivan** — 39 winners, 272 runners, 14.3%, –£82.72; **M Johnston** — 36 winners, 221 runners, 16.1%, –£48.22.

■ **LEADING JOCKEYS: L Dettori** — 71 winners, 261 rides, 27.2%, +£51.52; **J Weaver** — 67 winners, 307 rides, 21.8%, +£10.15; **R Cochrane** — 17 winners, 268 rides, 17.5%, –£21.00; **J Quinn** — 37 winners, 530 rides, 7.0%, –£269.78.

BLINKERED FIRST TIME: Dr Edgar (2.30), **Trible Pet** (12.30, visor), **The Frisky Farmer** (1.30, visor), **Daratown** (2.30 visor).

WINNERS IN THE LAST SEVEN DAYS: Yet Again (3.30) won here on Thursday.

LONG-DISTANCE RUNNERS: Madonna Da Rosa (1.30) & **Dr Edgar** (2.30) have been sent 288 miles by M Dods from Piercebridge, Co Durham; **Shontaine** (12.30) & **Double Crest** (2.00) sent 270 miles by M Johnston from Middleham, North Yorkshire; **Madrina** (1.00) sent 268 miles by J Berry from Cockerham, Lancashire; **Krystal Max** (1.00) & **La Dolce Vita** (3.00) sent 261 miles by T D Barron from Maunby, North Yorkshire.

12.30 REDGAUNTLET SELLING STAKES (CLASS G) (DIV I) £2,375 added 7f Penalty Value £1,649

1 000140- LANCASHIRE LEGEND (44) (CD) (Bryan Taker & David Wilson) S Dow 4 9 4 ..... A Daly (5) 8
2 003166- SHONTAINE (20) (D) (Paul Dean) M Johnston 4 9 4 ..... J Weaver 7
3 600000- DANCING JACK (9) (C) (Mrs J M Stamp) J Bridger 4 8 12 ..... D Harrison 9
4 06343-3 HAWAII STORM (FR) (8) (CD) (C C Capel) D Broach Davis 9 8 12 ..... M Baird (3) 5 B
5 010400- MULTUM (69) (Peter L Higson) G L Moore 5 8 12 ..... F Lynch (3) 10
6 00350-0 OUR SHADEE (USA) (5) (CD) (N T Mony) A Moy 7 8 12 ..... C Scally 2 V
7 066500- RED TIDE (106) (R M Penny) M Saunders 4 8 12 ..... R Perham 4
8 043200- STATISTICIAN (29) (Richard Sims) John Berry 5 8 12 ..... J Quinn 8 E
9 000400- AL SHAATI (FR) (29) (C) (Mrs R J Doongachum) R O'Sullivan 7 8 7 ..... F Norton 1 B
10 05042-4 MYSTERY MATTHIAS (5) (M C M & Mrs J Laycock) Miss B Sanders 4 8 7 ..... S Sanders 11 V
11 6245-0 SANTELLA KATIE (8) (B J K Partnership) Mrs L Stubbs 4 8 7 ..... S Sanders 3
12 2506/44- TRIBLE PET (313) (Brian Gubby Ltd) B Gubby 4 8 7 ..... Dane O'Neill 12 V

– 12 declared –

BETTING: 3-1 Shontaine, 7-2 Lancashire Legend, 5-1 Hawaii Storm, 11-2 Mystery Matthias, 8-1 Statistician, 10-1 Al Shaati, 11-1 Our Shadee, 12-1 Multum, 16-1 others.
1996: Star Talent (USA) 5 8 12 R Cochrane 10-11 (Miss Gay Kelleway) 10 ran

FORM GUIDE

SHONTAINE would certainly hold these rivals on turf judged on his wins at Doncaster, Newcastle and Catterick. With that sort of fast-ground form, Shontaine should revel on this fast all-weather surface and his latest runs here with an apprentice can be improved upon now that Jason Weaver takes over. Shontaine does have an all-weather win to his name – defying a big weight in a Southwell handicap over today's trip in November – and these weight terms give him the look of a solid bet. **Lancashire Legend** won a maiden here in November and the eyesheld he has worn on two subsequent starts is dispensed with. A week after the win, he finished fourth to Smithereens in an apprentice handicap here and emerges with an outside chance at the weights meeting Shontaine (third) 7lb better for just half a length. That weight pull is increased by Alan Daly's 5lb claim, but Lancashire Legend ran too badly here last time to threaten Shontaine this time with Weaver taking over. On the form here behind Smithereens, **Statistician** has every chance, but he is a dodgy customer who makes no appeal. **Hawaii Storm**, who meets Shontaine on unfavourable terms, is a sound old campaigner in good enough form to warrant an each-way bet. Seb Sanders taking over from Jo Hunnam on **Mystery Matthias** suggests a good run from the filly after Saturday's fourth to Sharp Imp here (6f), while Multum has promised much better things and Fergal Lynch is an interesting booking for the gelding, whose last run was in a hurdle (pulled up) at Newbury. **Selection:** SHONTAINE

1.00 GUY MANNERING CLAIMING STAKES (CLASS E) £4,025 added 5f Penalty Value £2,726

1 200126- PALACEGATE JACK (21) (D) (Binding Matters Ltd) C Dwyer 6 9 3 ..... F Lynch (3) 5
2 00002-3 BOFFY (5) (D) (Stan Baugh) B Baugh 4 8 11 ..... R Perham 3 B
3 5000-23 KRYSTAL MAX (4) (CD) (The Oakfield Nurseries Partnership) T D Barron 4 8 11 ..... Victoria Appleby (7) 7
4 331400- MADRINA (12) (C) (J Berry) J Berry 4 8 6 ..... P Fessey (5) 8
5 04040-4 LIFT BOY (USA) (7) (CD) (A Moore) A Moore 8 8 7 ..... Candy Morris 4
6 004000- LOGIE PERT LAD (9) (Donald J Smith) J Bridger 5 8 5 ..... A Daly (5) 6
7 000065- WINDRUSH BOY (9) (D) (Miss Cynthia Commorsi) J Bosley 7 8 3 ..... C Rutter 2
8 40040-0 SUPERLAD (BEL) (5) (D) (J J Bridger) J Bridger 5 7 12 ..... J Quinn 1

– 8 declared –

BETTING: 7-4 Palacegate Jack, 5-2 Krystal Max, 4-1 Madrina, 6-1 Lift Boy, 9-1 Boffy, 14-1 Superlad, 16-1 Windrush Boy, 25-1 Logie Pert Lad.
1996: Lift Boy (USA) 7 8 3 Candy Morris 10-1 (A Moore) 8 ran

FORM GUIDE

Krystal Max ran at Wolverhampton yesterday – he has never won there – and is now on a track where he has notched three wins. A creditable staying-on third to Ultra Beet yesterday, Krystal Max has twice won for Kimberley Hart, so his chance looks bright for Victoria Appleby, who rode him yesterday and also when a neck second to Amy Leigh at Wolverhampton last week. Five furlongs is **PALACEGATE JACK's** optimum trip, so his defeat over Wolverhampton's six last time can be excused. He rates a snip on his previous second to Portend in a 17-runner Southwell handicap and, with Fergal Lynch taking off 3lb, the gelding could set these all a task with his trailblazing style. **Lift Boy** turned over the hot favourite Inherent Magic in this claimer last year and he shaped well in fourth to Ultra Beet in a handicap here a week ago. He is a shade too close to Palacegate Jack and Krystal Max at these weights, though. Jack Berry's **Madrina** was a maiden winner here in November but seems vulnerable on her subsequent handicap eighth to Bold Effort here. Also, she ran badly at Wolverhampton last time, finishing a long way behind **Boffy** (second to Amington Lass), who himself looks held by Krystal Max on subsequent form on the same track.
Selection: PALACEGATE JACK

1.30 REDGAUNTLET SELLING STAKES (CLASS G) (DIV II) £2,375 added 7f Penalty Value £1,649

1 34000-0 ASTRAL INVADER (7) (C) (M S Saunders) M Saunders 5 8 12 ..... R Perham 5
2 500000- FORGOTTEN DANCER (10) (Roger Ingram) R Ingram 6 8 12 ..... S Drowne 8 B
3 3300/00- GREY LEGEND (236) (Ian Reed) R Flower 4 8 12 ..... M Wigham 4 B
4 60000-0 KI CHI SAGA (USA) (5) (D) (D Knight) M Madgwick 5 8 12 ..... D Harrison 6
5 000350- MILOS (20) (CD) (R A Popely) T J Naughton 6 8 12 ..... J Weaver 10
6 530004- RAGAZZO (55) (CD) (S Pedersen) J Wainwright 7 8 12 ..... L Charnock 3 B
7 355004- THE FRISKY FARMER (29) (G J Bush) W Turner 4 8 12 ..... T Sprake 11 V
8 450560- FAIR ELLA (20) (Miss Jane Reeves) G L Moore 5 8 7 ..... J Quinn 2
9 50605-0 FANCY DESIGN (5) (Mrs V M Harris) P Mitchell 4 8 7 ..... S Sanders 7
10 64002-0 GOLDEN SILVER (5) (D G Spracklend) J Moore 4 8 7 ..... N Adams (7) 1
11 000320- MADONNA DA ROSSI (133) (The Smith and Allan Oils Racing Club) M Dods 4 8 7 ..... A Clark 12
12 000050- SHERWOOD (9) (N F Saunders) N Hoey 4 8 7 ..... N Adams 9

– 12 declared –

BETTING: 6-4 Milos, 7-4 The Frisky Farmer, 8-1 Fair Ella, 9-1 Madonna da Rossi, 12-1 Astral Invader, Ragazzo, 14-1 Golden Silver, Ki Chi Saga, 16-1 Sherwood, 20-1 others.
1996: see Division One

FORM GUIDE

MILOS won a really competitive claimer here a year ago when apprentice-ridden – his fourth win on the course – and this seller looks his for the taking in the hands of Jason Weaver. Back from the turf to finish a creditable fifth of 16 to Mr Nevermind here in November, Milos failed to deliver when joint-favourite in Speedy Classic's handicap here afterwards, but this seller affords him an even better chance. **The Frisky Farmer**, winner of a seller at Leicester in March, ran in first-time blinkers when fourth to Apollo Red in a handicap here four weeks ago. He now goes in a visor with every chance in his right league. It has been two years since Ragazzo won a handicap over this course and distance for Ken Cunningham-Brown. He has the same rider today (Lindsay Chamocki) and would have to be considered in this league on his latest five-length fourth to Deepry Vale in a claimer. The dark horse in the race is **Fair Ella**, who could just come on for her run behind Father Dan over a longer trip here three weeks ago – her first start for Gary Moore since showing only modest form as a three-year-old for John Fitch-Heyes. **Selection:** MILOS

2.00 QUENTIN DURWARD MAIDEN STAKES (CLASS D) £4,900 added 3YO 1m Penalty Value £3,485

1 04- JOLLY JACKSON (20) (Mrs A Valentine) R Axehurst 9 0 ..... S Sanders 5
2 2- ROYAL ATY (67) (General Horse Advertising SRL) P Hellewig 9 0 ..... M Wigham 3
3 06040-2 SERENADE (7) (Ansells of Watford) M Haynes 9 0 ..... G Bardwell 1
4 55- DOUBLE CREST (26) (The 3rd Middleham Partnership) M Johnston 8 9 ..... J Weaver 7
5 2- ENLISTED (26) (Mel Grag) Sir Mark Prescott 8 9 ..... C Rutter 6
6 033-2 PATINA (6) (BF) (Boroughe Stud Ltd) R Hollinshead 8 9 ..... F Lynch (3) 2
7 55- TROIA (20) (J P Mass-Colen) B Smart 8 9 ..... T Sprake 4

– 7 declared –

BETTING: evens Enlisted, 9-4 Royal Aty, 8-1 Double Crest, 10-1 Jolly Jackson, 12-1 Troia, 14-1 Patina, Serenade.
1996: Well Drawn 3 9 0 W Newnes 7-4 (H Candy) 12 ran

FORM GUIDE

Royal Aty, a 56,000gns Royal Academy colt, made his debut in a £10,150 maiden at the San Siro, Italy, in November and went down a length and a quarter when second of six runners. That form could well be good enough, but preference is given to **ENLISTED**, who failed so narrowly on her Wolverhampton introduction last month. Sir Mark Prescott's Sadler's Wells filly, who fetched 65,000gns as a yearling, was easy to back but failed by just a head to catch No More Pressure and the form has been boosted significantly by the subsequent successes of third-placed Superbelle and the fourth, Effervescence (winner of three). **Double Crest**, fifth at Wolverhampton, six lengths behind my selection, should be able to win a race in due course. **Jolly Jackson**, a close fourth to Feather Bed here recently, can again get the better of **Troia**, who was well backed but finished half a length behind in fifth. Like Double Crest, both can win a race when facing easier company. **Patina** and **Serenade** have both made the frame on the all-weather but are up against it in this company.
Selection: ENLISTED

2.30 TALISMAN HANDICAP (CLASS F) £3,300 added 1m 2f Penalty Value £2,641

1 010005- TRIBAL PEACE (56) (CD) (Brian Gubby Ltd) B Gubby 5 10 0 ..... G Gallagher (7) 6
2 010060-0 JUBILEE SCHOLAR (5) (Mount Juliet) K McAuliffe 4 9 12 ..... F Lynch (3) 8
3 540050- SQUIRE'S OCCASION (CAN) (124) (Chelgate Public Relations Ltd) R Axehurst 4 9 12 ..... A Daly (5) 1
4 005043- KITTY KITTY CANCAN (9) (G Hendrie) Lady Herries 4 9 10 ..... A Clark 4 B
5 00004-5 DOUBLE MARCH (7) (Mrs P Scott-Dunn) P Webber 4 9 8 ..... Dane O'Neill 13
6 431600- RACING HAWK (USA) (126) (D) (T Leigh) M Saunders 5 9 4 ..... R Perham 3
7 240100- MULTI FRANCHISE (121) (CD) (Brian Gubby Ltd) B Gubby 4 9 3 ..... M Wigham 12
8 106050- CAN CAN CHARLIE (20) (G H Tufts) J Pearce 7 9 1 ..... G Bardwell 10
9 004042- MEDIATE (14) (C) (Anthony Hide) A Hide 5 9 1 ..... G Milligan (7) 11 B
10 450350- DR EDGAR (146) (D) (A G Watson) M Dods 5 9 1 ..... F Norton 5 B
11 43400-2 NAKHAL (7) (Ms Dana Wilden D Murray Smith) 4 8 11 ..... J Weaver 9
12 060446- SHERAZ (13) (Speedfit Group) N Tinkler 5 8 11 ..... C Rutter 14
13 350402- SUITOR (9) (Mrs J M A Churston) S Dow 4 8 3 ..... S Sanders 7
14 060- DARATOWN (51) (C John Hill) P Evans 4 8 1 ..... J Quinn 2 V

– 14 declared –

BETTING: 4-1 Nakhal, Suitor, 5-1 Mediate, 6-1 Kitty Kitty Cancan, 8-1 Squire's Occasion, 10-1 Double March, 12-1 Daratown, 14-1 Dr Edgar, Multi Franchise, 16-1 Can Can Charlie, 20-1 others.
1996: Explosive Power 5 9 5 T Ives 5-1 (G Bravery) 14 ran

FORM GUIDE

Simon Dow has struck form with three winners in recent days and **SUITOR** went close for the stable over course and distance on New Year's Eve when second to Adamton, beaten a length and three-quarters. He finished two and a half lengths in front of **Kitty Kitty Cancan** and reopposes 5lb better, as Alan Daly put up that much overweight. Suitor goes up 5lb from Saturday and he managed a third of 13 to Marsayas for William Jarvis at Catterick, when rated 8lb higher back in August. That was over a longer trip and, as a half-brother to Weld, one would expect him to stay well, but he could have run in the closing 13-furlong handicap and the fact that Dow keeps him to this trip (and avoids in-form Yet Again) looks significant. **Nakhal** is also well handicapped, as he is due to go up 3lb. That is for finishing second to Tawdek a week ago and the fact that that winner is a stablemate to the selection suggests there is confidence behind Suitor. **Mediate** failed by the minimum margin to beat Waikiki Beach over course and distance last time. He has every chance on that showing and can hardly be said not to stay the trip on that evidence, but it is a long time since he won. Ex-Irish Squire's **Occasion** is interesting on just his second Flat run for Reg Akehurst – he won over hurdles at Ascot in November. Alan Daly rides him today instead of Suitor, while my nap is ridden by Seb Sanders, Squire's Occasion's jockey on his debut for Akehurst at Kempton in September. **Daratown** is one to watch in the betting with a light weight and wearing blinkers in his first handicap, while **Double March's** fifth to Quiet Arch here a week ago was more encouraging than some of his earlier efforts. **Can Can Charlie** is well held by Sheraz on recent efforts, while Brian Gubby's pair, **Tribal Peace** and **Multi Franchise** make limited appeal despite being proven performers on the surface, but **Dr Edgar**, blinkered first time, is another worth watching in the market. **Selection:** SUITOR

3.00 WAVERLEY HANDICAP (CLASS D) £4,900 added 3YO 6f Penalty Value £3,388

1 621211- JUST LOUI (9) (CD) (A Podell) W Turner 9 12 (7ex) ..... D Sweeney (5) 5
2 324200- PETITE DANSEUSE (48) (Binding Matters Ltd) C Dwyer 9 7 ..... C Dwyer 6
3 001- LA DOLCE VITA (82) (Stephen Woodall) T Barron 9 4 ..... D Harrison 1
4 223221- THE WYANDOTTE INN (10) (CD) (G A Farndon) R Hollinshead 9 3 (7ex) ..... F Lynch (3) 2
5 6443-3 FORGOTTEN TIMES (USA) (7) (John Crook) T Jones 8 5 ..... N Carlisle 3
6 3013- TAOME (187) (M W Lawrence) P Evans 8 1 ..... J Quinn 4

– 6 declared –

BETTING: 9-4 Just Loui, 5-2 The Wyandotte Inn, 7-2 La Dolce Vita, 13-2 Forgotten Times, 7-1 Taome, 10-1 Petite Danseuse.
1996: Castle Governor 3 7 5 M Baird 8-1 (P Haslam) 5 ran

FORM GUIDE

TAOME is worth a chance on her all-weather debut despite having been absent since July. She managed a win in a Carlisle seller in June from recent Southwell scorer Brutal Fantasy before finishing last of three to Summer Risotto at Nottingham the following month. David Evans' filly is almost certainly capable of better and has only 8st 11lb today. **Just Loui** has won three of his last four. He is penalised 7lb for his latest success from Rock To The Top here, so is now 10lb higher than when beaten three lengths by Kilcullen Lad in November. Kilcullen Lad beat **The Wyandotte Inn** just a head here last month. That running suggests there is little to choose between Reg Hollinshead's colt, who must carry a 7lb penalty for winning a poor maiden at long odds on here last time, and Just Loui. **Forgotten Times** was beaten further by in-form Effervescence last time than when they first met and a bigger danger is likely to be posed by **La Dolce Vita**, who defied odds of 33-1 to win at Catterick on her latest run in October. This is her all-weather debut. **Petite Danseuse** held her form pretty well despite a busy schedule in 1996. **Selection:** TAOME

3.30 IVANHOE HANDICAP (CLASS F) £3,300 added 1m 5f Penalty Value £2,563

1 106422- BROUGHTONS FORMULA (9) (CD) (Crawford Gray & Aylesb W Musson) 7 9 10 ..... G Carter 5 B
2 340161- RASAYEL (9) (CD) (Pentons Haulage and Cold Storage) P Evans 7 9 8 ..... Jo Hunnam (7) 8
3 10601-1 YET AGAIN (7) (C) (A P Guffin) Miss Gay Kelleway 5 9 5 (6ex) ..... S Sanders 1
4 40002-5 SAPPHIRE SON (7) (C) (D Cobb) P Clarke 5 9 3 ..... Dane O'Neill 9
5 /40410- LUCY TUFTY (45) (G H Tufts) J Pearce 6 8 10 ..... G Bardwell 6
6 430600- FABULOUS MITOTO (12) (N R Peel) M Saunders 7 8 9 ..... R Perham 7
7 400/535- SASSIVER (USA) (341) (P A Kelleway) P Kelleway 7 8 4 ..... D Wright 3
8 0/00- CITY RUN (USA) (605) (A W Evans) D Cosgrove 5 8 4 ..... F Norton 4
9 004602- SAM ROCKETT (10) (P M Mooney) P Mooney 4 8 2 ..... J Quinn 2 B
10 0/2/4- WHIPPERS DELIGHT (10) (S P Tindall) G Charles-Jones 9 7 13 ..... A McCarthy (7) 10
11 0/0000- EDILE DU NORD (14) (Miss Z Wharton) H Collingridge 5 7 11 ..... N Adams 11

– 11 declared –

BETTING: 4-7 Yet Again, 5-1 Rasayel, 6-1 Broughtons Formula, 8-1 Sam Rockett, 12-1 Fabulous Mitoto, 14-1 Sapphire Son, 16-1 Lucy Tufty, 20-1 Sassiver, 25-1 others.
1996: Iron N Gold 4 8 9 S Sanders 8-1 (A Moore) 10 ran

FORM GUIDE

YET AGAIN, who has been running well over hurdles, should complete his course hat-trick. He gets no extra penalty for last week's comfortable win from Premier League (**Sapphire Son** well beaten in 14th) having taken advantage of a low mark to beat **Sam Rockett** three days earlier (**Whippers Delight** fourth). Sam Rockett, 5lb out of the handicap and carrying a pound overweight, was able to get within three and a half lengths of Yet Again and has a 10lb pull, but he was flattered by his promptness. **Rasayel** is a more obvious alternative, as he too is unpenalised for his latest win, a half-length success from **Broughtons Formula** in an apprentices' handicap over 13 furlongs. Broughtons Formula did finish strongly that day, though, so it would hardly be a surprise if he came out on top now. **Fabulous Mitoto** was having his first run since September when only seventh to Canon Falcon at Wolverhampton recently. He is on a good all-weather mark and could represent some each-way value. **Selection:** YET AGAIN

RACING RESULTS

WOLVERHAMPTON

12.30: 1. FLAMBOYANCE (D Harrison) 11-2; **2. Selberry** 8-11 fav; **3. Faym** 7-1. **9 ran.** 7, 4. (J Fanshawe, Newmarket). **Tote:** £6.30; £1.80, £1.10, £1.60. Dual Forecast: £4.70. Computer Straight Forecast: £10.57. Tno: £12.10.

1.00: 1. COLD STEEL (S Sanders) 5-1; **2. Siloma Creek** 12-1; **3. Siouxrouge** 4-5 fav. **8 ran.** 2, 1¼. (W Jarvis, Newmarket). **Tote:** £4.50; £1.70, £2.40, £1.00. Dual Forecast: £33.20. Computor Straight Forecast: £57.19.

1.30: 1. ULTRA BEET (J Weaver) 2-1 fav; **2. Keiler** 4-1; **3. Krystal Max** 7-2. **12 ran.** 1½, ½. (P Haslam, Middleham). **Tote:** £3.20; £1.60, £2.40, £1.10. Dual Forecast: £10.60. Computer Straight Forecast: £10.97. Tno: £12.80. NR: Lulu.

2.00: 1. ROYAL ACTION (M Wigham) 8-1; **2. Celestial Choir** 9-2; **3. South Eastern Fred** 5-1. **8 ran.** 15-8 fav Raheen (6th). 2½, 9. (J Banks, Newmarket). **Tote:** £10.40; £1.50, £2.90, £1.60. DF: £19.10. CSF: £44.83. Tricast: £189.63. Tno: £56.30. NR: Peter Noster.

2.30: 1. SOTONIAN (J Bramhill) 20-1; **2. Chancast** 6-1; **3. Ramsey Hope** 13-2. **8 ran.** 3-1 jt-favs Shadow Jury (4th), Master Of Passion (6th). ½, 1½. (P Felgate, Lisburn). **Tote:** £24.80; £2.30, £1.50, £1.60. Dual Forecast: £68.70. CSF: £126.06. Tricast: £812.43. Tno: £63.40. NR: Aljaz.

3.00: 1. LOCH STYLE (F Lynch) 4-1; **2. Galapino** 3-1 jt-fav; **3. Ben Secret** 5-1. **13 ran.** 3-1 jt-fav Spencer's Revenge. 2, 3½. (R Hollinshead, Upper Longdon). **Tote:** £6.50; £2.10, £1.50, £2.20. DF: £37.70. CSF: £19.36. Tno: £44.90

3.30: 1. GOLDEN HADEER (A Clark) 13-8; **2. Road Music** 25-1; **3. Noufari** 13-2. **9 ran.** 6-5 fav Beaumont (5th). 7, 10. (M Ryan, Newmarket). **Tote:** £2.40; £1.10, £5.70. £1.10. DF: £40.90. CSF: £38.09. Tricast: £214.88. Tno: £56.70.

4.00: 1. SECOND COLOURS (D Harrison) 6-1; **2. Super High** 11-2; **3. Golden Touch** 6-1. **8 ran.** 3-1 fav Barrel Of Hope (4th). ¾, 8. (M Pipe, Wellington). **Tote:** £6.30; £2.20, £1.40, £2.30. DF: £18.50. CSF: £37.25. Tricast: £191.92. Tno: £64.80. NR: North Reef

Jackpot: Not won. Pool of £9,424.43 carried forward to Lingfield today.
Placepot: £33.30. **Quadpot:** £22.10.
Place 6: £52.18. **Place 5:** £41.86.

Hopes rise for turf return

Hopes are rising that racing on turf will resume at Musselburgh tomorrow followed by Newcastle on Saturday. Today is the 11th successive racing day with action confined to the all-weather tracks.

However, Ascot's two-day meeting scheduled for Friday and Saturday is in grave doubt. If it is lost, then the £35,000 Victor Chandler Chase will be run at Kempton on 18 January.

With Leopardstown's card taking centre stage on Saturday, the Tote will break new ground by operating a placepot on the first six races at the meeting.

RICHARD EDMONDSON
NAP: Madrina (Lingfield 1.00)
NB: Royal Aty (Lingfield 2.00)

sport

A HERO OF OUR TOON: The son of a Geordie miner fired an unfulfilled dream for fans of Newcastle United. **Phil Shaw** reports

Keegan a master of grand populist gesture

Kevin Keegan talked and spent himself into a position where anything less than the championship, which Newcastle United last won 70 years ago, would be regarded as failure.

After an outlay of £60m on players in less than five years, Newcastle needed to be running away with the Premiership as they appeared to be doing this time last year. Instead they stand fourth in the table, five points off the pace albeit with a game in hand, and the self-imposed pressure of Keegan's position became intolerable.

If the timing of his resignation was surprising, Newcastle having scored 10 goals in winning the last two home games, the announcement was not entirely unexpected. In the same way that Keegan was liable to make sudden moves in the transfer market, he showed repeatedly that he was sensitive to criticism and prone to acting on his volatile emotions.

Local journalists were amazed how agitated he became when critical letters appeared in the *Newcastle Chronicle*, but the most glaring example came after the match at Leeds last April. By then Manchester United had all but sealed the title. A strained-looking Keegan said in a cracked voice that Alex Ferguson, the United manager, had gone down in his estimation because of his alleged use of psychological warfare.

Many who witnessed the outburst regarded it as confirmation that Ferguson had reeled in Keegan, hook, line and sinker. The runners-up spot, Newcastle's best position since 1927, was scant consolation – which in itself highlighted the extent to which Keegan, in alliance with Sir John Hall, had raised expectations on Tyneside.

Strange as it seems now, he was an unexpected choice to succeed Ossie Ardiles at St James' Park in February 1992, when Newcastle lay second from the foot of the former Second Division.

Having bowed out of football, the sum total of Keegan's involvement in sport had been to play golf in Marbella for seven years. He told one reporter: "If anyone ever hears that I'm coming back to football full-time, they can laugh as much as I will. It'll never happen. That's for certain."

But Hall, a multi-millionaire who was relatively new to football and unaccustomed to being turned down, recognised his Messianic qualities. Their backgrounds may have appeared dissimilar, yet both were the sons of Geordie miners, and Keegan confessed that he had secretly cherished the thought of returning to the club where he finished his playing days.

Before his first game in charge, at home to Bristol City, Keegan announced his team to an expectant press conference. He read out only 10 names. Since the player he omitted to mention, Alan Neilson, was a defender, hindsight might construe it as a Freudian slip.

The gate almost doubled to nearly 30,000 that day, and Newcastle won 3-1. After an early falling-out with Hall – Keegan threatened to quit when promised funds were not forthcoming to buy Brian Kilcline – he revamped the side and managed to avert relegation to the Third Division by virtue of victory at Leicester on the final day.

Twelve months on, Keegan's first full campaign also ended against Leicester. This time Newcastle won 7-1 and were crowned champions. A banner proclaimed him "God on the Tyne".

Consolidation did not figure in the vocabulary of either Hall, whose vision was to turn Newcastle into a sporting institution *on a par with Barcelona and Milan*, or Keegan, whose target of the championship seemed almost prosaic by comparison.

Three and a half seasons, a million replica shirts and a couple of near misses later, the silverware has still not come to the North-east. Keegan's pursuit of the Grail has been relentless. Two years ago, he took the extraordinary step of selling Andy Cole, the fans' idol, to Manchester United for £7m. He eventually used the money to buy Les Ferdinand, paying a further £7.5m for Faustino Asprilla a year ago.

Although Keegan vehemently disputed the theory, the signing of Asprilla, a Colombian striker noted for his maverick *tendencies, self-evidently* unbalanced a team who were by then 12 points clear. It now transpires that last summer, in the wake of Newcastle's "failure", Keegan offered to resign but was talked out of it.

He revived his own and public spirits in his trademark manner, by spending heavily on an attacker. Asked if he had any reservations about lavishing a world-record £15m on Alan Shearer, Keegan answered flippantly but tellingly: "I like buying players." He might have added that he was also partial to grand populist gestures.

What he was less good at was integrating the stars he bought into a team pattern; the nitty-gritty graft on the training ground that comes naturally to the likes of Ferguson and George Graham. That involved coaching ability and tactical awareness. By inviting Mark Lawrenson to work on Newcastle's defensive shortcomings, Keegan was tacitly admitting he did not possess either.

The top-heavy look of his line-up – with one of two weak goalkeepers and a ponderous back four, embellished by flamboyant forwards like Asprilla and David Ginola – remained an indictment of his preference for style over substance. Prior to the upturn in their fortunes over the festive period, they had gone seven games without a win and have not won away for three months.

That is not to say Keegan was no more than a PR man or a cheque-book manager. When it all fell into place, such as the 7-1 annihilation of Tottenham or the rout of Ferencvaros in the Uefa Cup, Newcastle could be an irresistible force and an exhilarating sight.

In statistical terms, a 55 per cent win rate during his 249-match reign makes him St James' most successful manager ever. The trophy cabinet suggests otherwise. For Keegan, who knew nothing but glory with Liverpool, Hamburg and England, that was the bottom line.

Kevin Keegan faces the press for the first time as Newcastle's manager in 1992, while (inset) he loses his composure in response to comments by Alex Ferguson, whose Manchester United side had just overtaken Newcastle at the top of the Premiership last April
Main picture: Ted Ditchburn; inset: Sky

KEEGAN'S RUN

Playing honours

Liverpool (1971-77): League Championship 1972-73, 1975-76, 1976-77; FA Cup 1973-74; Uefa Cup 1972-73; 1975-76 European Cup 1976-77.
Hamburg (1977-81): *Bundesliga* 1978-79.
Newcastle (1982-84): Second Division 1983-84.
England (1972-84) 63 caps, 21 goals.
Awards: Footballer of the Year 1976; European Player of the Year 1978, 1979; PFA Player of the Year 1982.

Managerial honours

Newcastle (1992-97): First Division championship (1992-93).

1991-92 Second Division
P 16 W 7 D 2 L 7 F 23 A 25 Pts 23 Pos 2b
FA Cup: Third round. League Cup: Third round *(Newcastle out of both competitions before Keegan's arrival)*

1992-93 "New" First Division
46 29 9 8 92 38 96 1
FA Cup: Fifth round. League Cup: Third round

1993-94 Premiership
42 23 8 11 82 41 77 3
FA Cup: Fourth round. League Cup: Third round

1994-95 Premiership
42 20 12 10 67 47 72 6
FA Cup: Sixth round. League Cup: Fourth round. Uefa Cup: Second round

1995-96 Premiership
38 24 6 8 66 37 78 2
FA Cup: Third round. League Cup: Fifth round

1996-97 Premiership (to date)
21 11 4 6 38 22 37 4
FA Cup: at home to Charlton (third round replay). League Cup: Fourth round. Uefa Cup: home and away to Monaco (quarter-finals)

Major transfer deals

** Please add ",000" to figures not expressed in millions*

INS

Player	From	Fee*	Date
John Beresford	Portsmouth	£650	Jun 92
Barry Venison	Liverpool	£250	Jul 92
Robert Lee	Charlton	£700	Sep 92
Scott Sellars	Leeds	£700	Mar 93
Andy Cole	Bristol City	£1.7m	Mar 93
Peter Beardsley	Everton	£1.6m	Jun 93
Alex Mathie	Morton	£250	Jul 93
Ruel Fox	Norwich	£2.25m	Feb 94
Darren Peacock	QPR	£2.7m	Mar 94
Marc Hottiger	Sion	£600	Jul 94
Philippe Albert	Anderlecht	£2.65m	Aug 94
Paul Wilson	Derby	£2.25m	Sep 94
Keith Gillespie *(exchange deal with Cole)*	Man Utd	£1m	Jan 95
Warren Barton	Wimbledon	£4m	Jun 95
Les Ferdinand	QPR	£6m	Jun 95
David Ginola	Paris SG	£2.5m	Jul 95
Shaka Hislop	Reading	£1.5m	Aug 95
Darren Huckerby	Lincoln	£500	Nov 95
Faustino Asprilla	Parma	£6.7m	Feb 96
David Batty	Blackburn	£3.75m	Feb 96
Alan Shearer	Blackburn	£15m	Jul 96

OUTS

Player	To	Fee*	Date
David Kelly	Wolves	£750	Jun 93
Gavin Peacock	Chelsea	£1.25m	Jul 93
Alan Thompson	Bolton	£250	Jul 93
Kevin Scott	Tottenham	£850	Feb 94
Andy Cole *(exchange with Gillespie)*	Man Utd	£7m	Jan 95
Alex Mathie	Ipswich	£500	Feb 95
Paul Bracewell	Sunderland	£100	May 95
Alan Neilson	S'hampton	£500	May 95
Barry Venison	Galatasaray	£750	Jun 95
Ruel Fox	Tottenham	£4.2m	Oct 95
Scott Sellars	Bolton	£750	Dec 95
Marc Hottiger	Everton	£700	Jan 96
Darren Huckerby	Coventry	£1m	Nov 96

Expenditure since February 92: **£59.77m**
Income since February 92: **£21.195m**

First and last teams

Keegan's first team as Newcastle manager v Bristol City, 8 February 1992, at St James' Park
Tommy Wright; Ray Ranson, Alan Neilson, Kevin Scott, Mark Stimson; Steve Watson, Gavin Peacock, Liam O'Brien, Kevin Brock; David Kelly, Terry Wilson (David Roche).
Result: 3-0. **Scorers:** Kelly 2, O'Brien.

Kevin Keegan's last Newcastle team v Charlton, 5 January 1997, at The Valley
Shaka Hislop; Steve Watson, Darren Peacock, Philippe Albert, John Beresford; Robert Lee, David Batty, Peter Beardsley, Lee Clark; Les Ferdinand, Alan Shearer.
Result: 1-1. **Scorer:** Lee.

He was at odds with a policy alien to his nature

Ken Jones looks at the man who said he never wanted to manage

There were enough revealing images of Kevin Keegan in times of disappointment and frustration to suggest that he would not have a long career in football management. Indeed, the only surprise about his decision to resign yesterday was that it came later rather than sooner.

In Keegan's case it is not enough to conclude that pressure imposed by the responsibility of massive investment proved intolerable. He was not simply overwhelmed by specifics. Nor, like some in the profession, could he lean on rage.

Volatile, the inability to conceal his innermost feelings manifest in emotional outbursts, finding it difficult to compromise, Keegan probably suffered most from a purity of spirit. "If we can only win the championship by changing the way we try to play, I'll get out," he said last season after a debilitating 4-3 defeat at Liverpool. For him the joy was not only in victory but in the manner.

That Keegan even entertained management astonished many who knew him. There was no question that he wanted the job at Newcastle. A larger question was how long he would continue to want it. This season he has often seemed moodily uncertain.

Following a loss at Leicester, Keegan denied BBC television an interview on the grounds that he had been let down last year over the reporting of an incident at Manchester City involving the Colombian international, Faustino Asprilla. After a recent defeat at Coventry, he left without a word to waiting reporters and was seen staring blankly from the windows of the darkened team bus.

Keegan was an expedient footballer rather than gifted. He had good feet, a strong body, quickness, drive and the determination to make the most of every opportunity. Management required different things from him but not a different set of values. His way or not at all, which led to an early conflict with Newcastle's ambitious benefactor, Sir John Hall, and maybe was at the root of his resignation.

The appointment, unique in English football, of a former Liverpool team-mate, Mark Lawrenson, as defensive coordinator carried the suspicion of interference. Even when Tottenham were crushed 7-1 to end a run of seven matches without a victory, Keegan was curiously uninspired, perhaps already convinced that it was time to end his association with the club.

One night some time ago, on the eve of the Grand National and a match Newcastle had at Manchester City, I was invited to dinner with Keegan and his coaches in a hotel just outside Warrington. I reminded him that he had frequently argued against the idea of becoming a manager. "This was different," he said. "I couldn't resist the challenge but I don't expect to be doing it all my life." On television recently, interviewed while playing golf with Alan Shearer, I heard him say something similar. The difference was that he did not appear to be thinking very far into the future.

Football tells anyone who watches intelligently about the times in which we live: about managed news and corporate politics, about what the process of pressure does to strong men. Television makes every living room an arena. If that is what you want for your living room, televised sport can be thrilling, but the focus on managers has become so intense that we are left in no doubt about their emotions, lips moving in profanity, a winner's joy, a loser's despair. The handshakes perfunctory.

Talk is another kind of mask. Some managers beat away questions with other questions and hold people off with small pronouncements. Others become lovers of silences. Keegan has always worn his heart on his sleeve, sensitive to criticism as he was revealingly last season when needled by Alex Ferguson at a critical stage of the championship.

We can only imagine the effect of Hall's statement – subsequently denied – that Newcastle *must* win something this season, on Keegan. But it surely prompted his offer to resign following a Boxing Day defeat at Blackburn.

By then it was perfectly plausible that Keegan was at odds with a policy alien to his nature. Once he accepted grudgingly that a more secure formation was necessary, he was lost. Adrift of the leaders, his team was neither one thing or another. Every day, as autumn deepened into winter, he must have thought seriously about turning his back on it all.

The exhilarating boldness that characterised Newcastle's best football under Keegan, boldness in denial of principles that most modern coaches hold sacrosanct, was of another time. It was of Real Madrid in the 50s and 60s, the Tottenham Double team, the best of Manchester United under Matt Busby. "Too much mind will make the game less attractive and may eventually destroy it," Busby once said.

Mind did not figure greatly in Keegan's philosophy. Adventure, football as the glory game, did and the thrilling sight of it filled Newcastle's fans with optimism. Last season's disappointment when Manchester United made up 12 points to take the championship was overtaken when £15m was spent to acquire Alan Shearer. But, with that one record purchase, Keegan put his foot in a bucket. He could not afford to fail again.

Was it simply disenchantment that prompted Keegan's resignation? Or did he turn away from the man who, more than anyone else, represents the idea of football as big business? The reason is less important than the fact.

Rich potential remains for successor as manager

CONSEQUENCES FOR THE CLUB

No one can deny Kevin Keegan the right to walk away. Football management carries extreme pressures – witness the *resignations of Kenny Dalglish* and Steve Coppell, and the heart attacks suffered by Graeme Souness, Don Howe and, tragically, Jock Stein.

But Keegan may be acting as much in Newcastle's best interests as his own. He is the only person who could have lifted Newcastle so far, so fast, and re-ignited the passion of a region in doing so. He may not, however, be the man to take them that extra step.

Keegan is a fine motivator of men but such an approach, if not allied to astute tactics, will only carry a side so far. His laudable desire to see attractive football has not only shown in his spending and playing policies, it has also been reflected in results. Newcastle have lost matches a more pragmatic approach would have won.

It has made for wonderful entertainment and for many Newcastle fans that is enough. But expectations are now so high that many more want trophies as well as goals.

Now there are even suggestions that his motivational powers are waning. The tale doing the rounds in Newcastle yesterday was that his Christmas present from the team was a dummy, to replace the one he kept spitting out.

If true it sounds an affectionate joke more than a bitter jibe but his habit of praising the team to the heavens, or condemning them to the depths, would not have worked with every player. You seldom hear Alex Ferguson criticise his own.

Then there was the uncertainty caused by Keegan's inability to decide on his best XI and how to play them. This will be the first task for a new manager. If that is done quickly Newcastle should recover more rapidly than Liverpool did after Dalglish walked out. The team is top heavy with forward talent and has an average age of more than 27 but it does not require drastic surgery. Only Peter Beardsley is over 30.

Beardsley may not last long if Dalglish does take over – and what an irony his apppointment would be. The new manager, whoever he is, may not be as indulgent of David Ginola and *Faustino Asprilla as Keegan.*

It is hard to see Newcastle remaining contenders for this year's championship but they cannot be written off. As Arsenal have proved, managerial instability does not always induce collapse. Like Arsène Wenger, Newcastle's new man will have the rare advantage of taking over a side well-placed and rich in potential.

Long term, Newcastle ought to remain in the élite but much depends on Sir John and Douglas Hall. Sir John's backing of Keegan was as much emotional as practical and he is unlikely to form such a close bond with his replacement. Newcastle are thought to be financially stretched at present and Keegan's departure will not help the imminent share issue.

The Halls pulled off a masterstroke when they appointed Keegan, now they must show the same inspiration with the selection of his replacement.

Glenn Moore

'He was one of us. It is just like being at a death'

A CITY UNITED IN SADNESS

It was already a grey day on Tyneside as the news broke. The grey suddenly turned black as the clouds over St *James' Park seemed heavier* and the raw wind that little bit colder.

For the hundreds gathered outside it appeared the sun would shine no more. The man they all loved had gone. No one seemed to know why. No one seemed to understand. But they all felt they had to come to the ground.

"I have been crying all the way across here," said 41-year-old Paul Atkinson, a jewellery shop manager in the region's other success story, the Metro Centre and also a season ticket holder.

"I heard it on the local radio. I am totally shocked. Part of the club has died today. I just had to be here. I honestly can't think of anyone who can replace him. He was one of us. It is just like being at a death."

Even the massive club shop had joined in the sombre mood. There were sale signs on the outside and little sign of action inside. Shop staff had apparently been told not to give their reaction. It was a family affair *and they were united in their* private grief.

The whole mood of the city was the same. Local radio had suddenly become a sound check for the Samaritans, with one distraught caller after another.

Gazing towards the main entrance 66-year-old retired upholsterer Ray Young said. "It is a sad day. But I think Mr Hall has pushed him too far saying *you must win something, you* must win something. Ferguson went for years without winning anything and now look what's happened."

Standing nearby was Les Clydesdale, aged 58, a television broadcast engineer from the city's desirable Jesmond area. "It is not a big shock," he commented. " He has been very unhappy in the past few weeks so it is not unexpected. He is not the greatest in the world. If you talk to the more knowledgeable supporters he has made tactical mistakes. The sale of Huckerby, no reserve team. But he is still God and I would still like to see him here."

Lunchtime trade in the famous Strawberry Pub only yards from the Gallowgate End had been brisk. "It's been busier than usual but it has been like a wake," said barmaid Joy James (37). Punter Doug Cowx, aged 37 from North Shields, said: "We haven't got the full story yet. He wanted to stay until the end of the season. We should get to the fifth round of the FA Cup at least, we're off to Monaco in March, the League is still anybody's and we have already beaten Man United *5-0. For the moment we are* all going to get very, very drunk tonight."

Mrs Alison Wilkins, 31, who had travelled up from Hartlepool as soon as they heard the news, said: "My husband is still waiting outside the ground. We are all very upset. We have even got a cockatiel named Keegan."

Sunderland fan Craig Thompson, aged 26, said: "I am *elated. He was supposed* to have been the Messiah but he has turned out to be a waste of money. Peter Reid has won as many trophies and that's only the First Division title."

Ron Clarke

Rowell safe but Ashton threatens Cusworth

Rugby Union

CHRIS HEWETT

England's rugby hierarchy may undergo a significant new year revamp before the Five Nations' Championship kicks off in 10 days' time but, contrary to the scare-mongering stories of last weekend, Jack Rowell's position as coach is secure. The only change under consideration is the introduction of Brian Ashton, the highly respected tactician who ended his seven-year association with Bath on Monday.

Rowell, who brought Ashton to Bath in 1989 and worked closely with him for five years before taking over the England reigns, gave the clearest possible indication yesterday that his old cohort might not need to pay too many visits to his local social security office. Asked if Ashton might join the national set-up in a coaching capacity, he replied: "It's in my mind. I have spoken to Brian unofficially to check his availability because people like him should not be ignored. I rate him very highly and apart from *anything else, good backs coaches* are thin on the ground."

Although Rowell denied that any approach to Ashton would undermine the position held by Les Cusworth, a backs specialist who also sits on England selection, it was difficult to imagine the former Leicester outside-half greeting the news with cries of unbridled joy. The England threequarter line has not been helped by flawed back row selection this season but their inability to complete even the most basic passing movements in the pre-Christmas pantomime with Argentina left Cusworth fielding plenty of flak.

Bolstered by an unequivocal vote *of confidence from the* Rugby Football Union secretary Tony Hallett, who comprehensively scotched reports of Rowell's imminent demise, the coach did not talk like a condemned man as he announced a 30-man Five Nations squad at Twickenham. *Indeed, he took the bull* by the horns on a number of issues, notably the growing trend among First Division clubs of fielding teams containing as few Englishmen as possible.

Acutely aware that home-grown outside-halves, open-side flankers and middle jumpers were becoming more difficult to track down, Rowell urged a rethink on selection policy at club level. "The clubs have their own brief and the regulations allow them to pursue and pick whoever they like," he said. "But it's not uplifting from my point of view to see talented young players signed to clubs who are unlikely to give them a chance. The game in England could eventually be strangled by this."

One player who does have an opportunity as a result of yesterday's squad announcement is Neil Back, the undersized but astonishingly combative Leicester flanker. His performance on the field against Toulouse in last Saturday's Heineken European Cup semi-final so overshadowed his self-pitying outburst off it that the selectors, who urgently require a specialist open-side link player to make the team tick, drafted him back after an absence of 18 months.

"Lawrence Dallaglio has been playing open side for us but on the blind side for Wasps and perhaps that has taken away the sharp edge a No 7 needs," Rowell said. "Neil was outstanding against Toulouse and looked back to his best. We need to get the link going and if we can't do that through the big men, we'll just have to look elsewhere."

To that end, the selectors have given themselves three options. They could stick with Dallaglio for the Calcutta Cup match with Scotland on 1 February, switch the Wasps captain to blind side and give Back his sixth full cap or, more adventurously still, award a debut to Richard Hill, the untested Saracens flanker who is significantly bigger than Back but nowhere near as experienced.

Elsewhere, the squad is much as expected. Darren Garforth and Will Greenwood, two more in-form Leicester men, are included; Garforth replaces Victor Ubogu, the Bath prop, while Greenwood was said by Rowell to be a live contender for a midfield place. The logjam in the centre is now even harder to ease, especially as Phil de Glanville, the Bath and England captain, is close to full fitness.

Ubogu joins three of his front-row club-mates – Kevin Yates, John Mallett and Gary French – in a 40-strong England A squad scheduled to play two matches in the space of six hours on 31 January. The first will be against Scotland's second string at Harlequins, the other against the strong Otago province from New Zealand at Bristol.

Despite his chastening experience at the hands of the Argentinians, Rowell was upbeat about England's prospects for a *third Five Nations title* in succession. "No one was happy with what was achieved against the Pumas, but you have to remember that anyone can have a day when things fail to go to plan. Manchester United have days when they just don't play. So do the All Blacks. What pleased me was that we dogged it out and won the game.

"We are rebuilding a side while changing our style and that is a difficult and painful thing to attempt, but I don't see why we can't get there in the relative short term."

ENGLAND SQUAD FOR FIVE NATIONS' CHAMPIONSHIP

FULL-BACKS: N Beal (Northampton), J Callard (Bath), T Stimpson (Newcastle).
WINGS: J Sleightholme (Bath), T Underwood (Newcastle), A Adebayo (Bath).
CENTRES: W Carling (Harlequins), P de Glanville (Bath), W Greenwood (Leicester), J Gascoigne (Bath).
STAND-OFFS: M Catt (Bath), A King (Wasps), P Grayson (Northampton).
SCRUM-HALVES: A Gomarsall (Wasps), K Bracken (Saracens).
PROPS: G Rowntree (Leicester), J Leonard (Harlequins), R Hardwick (Coventry), D Garforth (Leicester).
HOOKERS: M Regan (Bristol), P Greening (Gloucester).
LOCKS: M Johnson (Leicester), S Shaw (Bristol), G Archer (Newcastle).
BACK ROW: T Rodber (Northampton), L Dallaglio (Wasps), C Sheasby (Wasps), N Back (Leicester), R Hill (Saracens), B Clarke (Richmond).

(Training session at Bisham Abbey on 15 January).

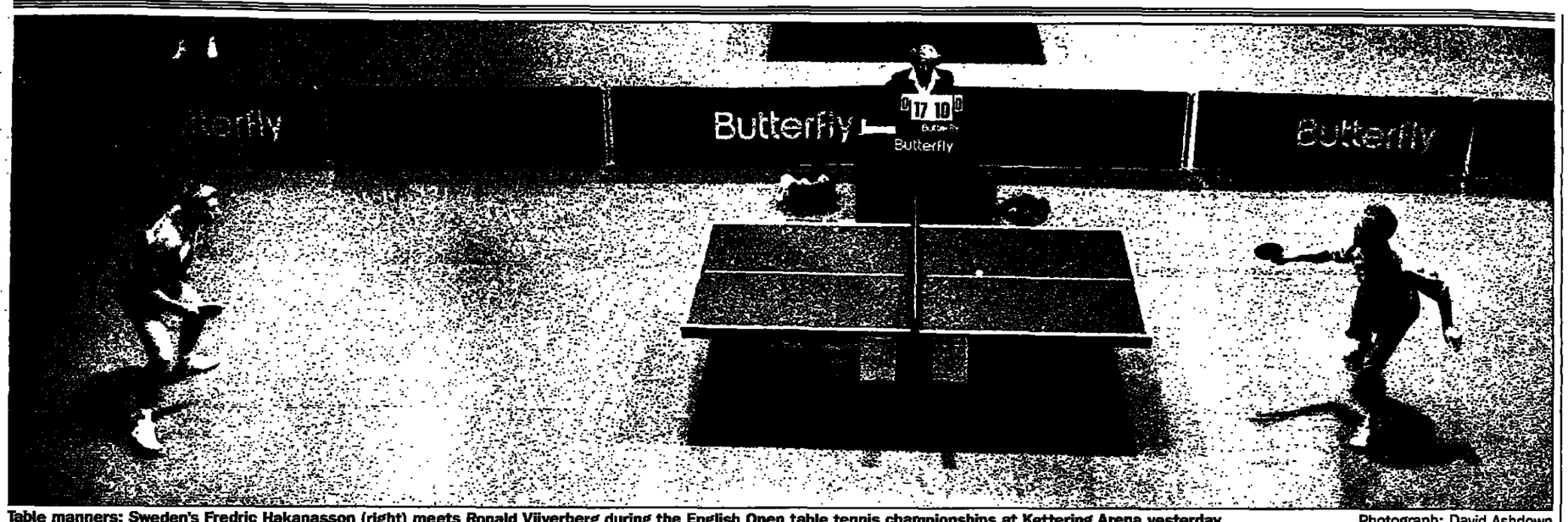


Table manners: Sweden's Fredric Hakanasson (right) meets Ronald Vijverberg during the English Open table tennis championships at Kettering Arena yesterday Photograph: David Ashdown

The 67-year-old maestro gives youth a chance

Mike Rowbottom in Kettering for table tennis's 62nd English Open

Sadly, the 62nd English Open table tennis championships lacked an outstanding performer yesterday.

Tournament organisers already knew that the defending champion, Kong Linghui of China, would be absent, plotting tactics for the retention of his world title in March. But where, officials wondered, was Gordon Chapman?

The 67-year-old from Worcester Park, Surrey, had surprised himself and others on Tuesday by winning all three of his preliminary singles matches against players more than 40 years his junior. But his name was scratched from the list of qualifying matches taking place at the cavernous Kettering Arena this week before tomorrow's first round proper.

Chapman had had to go home. "I wasn't prepared for staying over in Kettering, and I couldn't drive back up in time for my match at nine in the morning," he said yesterday, adding rather defensively: "I had some other things to do."

One of his next fixtures is a regional veterans tournament in Kettering. He has already booked his accommodation. "You could say I have seen the error of my ways," *he said with a chuckle.*

Chapman may have been missing, but the Arena – accommodating 12 matches at a time – teemed with activity as a strong international field and the best of British veterans and juniors strove for advancement in a tournament which is to table tennis what Wimbledon is to tennis.

The drawing power of the English Open, first held at the London Club, Baker Street, in 1922, had been strengthened by its inclusion in the International Table Tennis Federation's Pro Tour, which was established last season. As well as $50,000 *(£30,000) worth of prize-money,* qualification points are at stake for the lucrative ITTF finals.

While that may not be sufficient to attract the likes of the Chinese so close to the biennial world championships – which will be held in Manchester, their first British venue since 1977 – it has assured the event of a strong field headed by last year's world No 1, Jean-Michel Saive, of Belgium.

Main domestic interest centres on Britain's No 1, Matthew Syed, the shaven-headed 26-year-old whose unusual and exciting defensive tactics cause the sport's *aficionados* to come over all misty-eyed.

Syed, however, was an uneasy spectator yesterday as he pondered whether to have a local anaesthetic to ease the same hip injury which caused him to miss the last two British Opens.

"It's very important to me to play after what has happened in the last two years," he said. "There would be a lot of disappointment for home supporters if I pulled out again."

Disappointment, too, for BBC's *Grandstand*, which plans to televise the event live on Saturday and would dearly love the top Briton to feature in his projected second-round match with Sweden's Peter Karlsson.

For many of those so strenuously involved yesterday the second round proper is likely to be a match too far. For 19-year-old Gemma Schwarz, England's No 8, the event offers an invaluable opportunity to widen her international experience. "It's important for us younger ones to learn how to play against foreign competitors," she said after losing her initial qualifying match to Cecile Ozer of Belgium.

But at this stage the Open offers different things to different competitors. Nigel Eckersley, one of Britain's leading veterans, is simply revelling in the atmosphere. "Realistically I won't qualify," said the 44-year-old from Lymm in Cheshire. "But if I can get away with winning a couple of matches I will have done well. One of the beauties of table tennis is that you very rarely get injured. If you keep yourself in reasonable shape, there is no reason why you can't go on to your seventies." As Mr Chapman will attest...

Henman battles past Bruguera

Tennis

DERRICK WHYTE reports from Sydney

Tim Henman yesterday admitted turning to sleeping pills to combat the effects of jet-lag, but there continues to be nothing weary about his superb recent form.

Henman defeated the double French Open champion, Sergi Bruguera, 3-6, 6-3, 6-3 to progress to the quarter-finals of the Sydney International and maintain a superb start to 1997.

A second straight appearance in a final is now a realistic target for the determined British No 1 who is now ranked No 24 in the world.

Henman reached the final of the Qatar Open in Doha on Sunday where he lost to the former world No 1 Jim Courier, achieving his New Year's resolution of competing in a tour final *in 1997 at the earliest* possible opportunity.

And despite a punishing travel schedule from the Middle East, the 22-year-old is only two victories away from a second chance to claim his first ATP Tour victory.

Henman attributed his battling success against Bruguera to mastering his serve in the tricky windy conditions. "I am probably serving a little bit better than I was 12 months ago, with a *little bit more experience*," Henman said.

"So when there were really big points to be played I was able to come out and win those points. That translates as me winning the match in the end instead of Sergi."

Henman, who now faces American Alex O'Brien in the last eight today, is confident of success. "You have got to definitely believe in yourself and whenever I am playing a match *now I do believe that I have got* a chance against most players," he said. "It's just a question of concentrating and playing your own game, and hopefully that's enough."

O'Brien will provide another *stiff test, however, having also* enjoyed recent success on the ATP tour, rising from 285th in the world rankings last July to 37th in the latest list. He beat Henman in their only previous meeting, at Manchester in the *summer of 1994.*

Goran Ivanisevic, the top seed, overcame the hiccup of only winning four second set points to beat Spain's Javier Sanchez in Sydney. The big-serving Croat, ranked No 3 in *the world, won through to the* quarter-finals 6-4, 0-6, 6-4 after struggling against a gusting wind and meeting stiff resistance from the world No 38.

In the women's event, Jennifer Capriati moved into the *quarter-finals with a 6-3, 6-2 win* over Canada's Rene Simpson.

Pete Sampras, the world No 1, showed that he is in the mood to win a second Australian Open title when he beat Michael Stich in straight sets at *the Colonial Classic exhibition* tournament in Melbourne yesterday.

Sampras, refreshed after a five-week break, beat the German 6-4, 7-5 in the first round of the eight-man tournament, *the final warm-up competition* before the Australian Open which starts on Monday.

Boris Becker, who ended 1996 with five titles, a place in the final of the ATP Tour Championship and a victory in the Grand Slam Cup, made a slow start before winning his first-round match 7-6, 6-1 against Andrei Medvedev of Ukraine. Becker trailed 2-5 in the opening set before winning in 90 minutes.

Caddick has a point to prove

Cricket

MARK BALDWIN reports from Auckland

Andy Caddick is aiming to leave two sets of selectors won*dering whether they have made* a big mistake when England launch their tour of New Zealand tomorrow.

The 28-year-old Somerset seamer left the country of his birth in 1990 because he believed he was making no progress up the Kiwis' cricketing ladder. And, for six weeks in Zimbabwe, Caddick must have experienced similar feelings as England ignored him for two Tests and three one-day internationals. Now, however, he is about to get the chance to turn back the clock just a little and start all over again.

With Dominic Cork on board once again after missing stage one of the winter following the breakdown of his marriage, the *competition for pace bowling* places is tougher than ever. But Caddick can expect at least two opportunities to prove himself a serious contender, first against an Academy XI in tomorrow's limited-overs match at *New Plymouth and then again* during the four-day meeting with a New Zealand Select side at Parlmerston North.

"I will be pretty fired up," he said. "There's a lot for me to prove and I'll be bowling with plenty of aggression. It was a bit frustrating not to get picked in Zimbabwe. All I can do now is get stuck in and show the selectors that they have to play me, then leave it in their hands."

Caddick took matters into his own hands when he decided to leave New Zealand and pursue a professional career in England. At that stage he had represented the Kiwis at under-19 level and been part of their Youth World Cup squad. With English-*born parents*, Caddick had an obvious alternative route.

Caddick is by no means the only England player desperate to prove he has a part to play in the big matches this winter. Cork cannot afford a slow start while *Jack Russell, put out to grass in* Zimbabwe almost from day one, needs to sparkle both in front of and behind the stumps. All three of them seem certain to play tomorrow, although England are unlikely to name the team until the morning of the match because of injury doubts over Robert Croft (sore foot) and Graham Thorpe (calf strain).

Their Academy opponents should not be as dangerous as the Australian Institute of Sport sides that beat Mike Atherton's 1994-95 side twice over a weekend at Sydney. But England, urgently needing to start this leg of the winter programme with a victory, dare not take any team lightly these days.

Scotland drop four for Five Nations

Scotland's selectors have dropped four players from the 21 chosen for the 29-22 win over Italy last month for the Five Nations opener against Wales at Murrayfield a week on Saturday.

Left out are the experienced lock Damian Cronin, No 8 Eric Peters, prop Barry *Stewart and* scrum-half Derrick Patterson, while the flanker Ian Smith is unavailable because of a broken thumb.

In come the scrum-half Gary Armstrong, prop Tom Smith and back-row man Rob Wainwright after injury, while there are also recalls for flanker Peter Walton and lock Shade Munro.

"The hard fact is that Peters and Cronin have been dropped," the team manager, Arthur Hastie, said. "The selectors felt that they were under-performing."

Stewart is left out after being capped against New Zealand in the summer and against Australia in November. "Our feeling is that Barry has reached a plateau and we have recommended that he be played in the A side," Hastie explained.

The selectors have not yet named their captain, but it seems certain it will be either Gregor Townsend, who led the Scots in their three autumn matches at Murrayfield, or Wainwright, Scotland's skipper last season.

Davey Haslett is the favourite to succeed Murray Kidd, who has resigned as Ireland's coach "with regret". New Zealander Kidd was appointed as the country's first professional coach in October 1995.

Haslett is currently coaching the country's A team as well as the Dungannon club. Also in the frame is Harry Williams, the former Ulster and Ireland A coach currently with Bective Rangers in Dublin.

The former All Black Mike Brewer, captain of Blackrock College this season, has been Kidd's assistant with the national squad and would offer some sort of continuity if he were to succeed his compatriot. But because of his obvious close links with Kidd, he may not be acceptable to the IRFU.

Ireland's opening Five Nations' Championship match against France is at Lansdowne Road on Saturday week, which gives Kidd's successor very little time to integrate with and prepare the players.

Kidd's record of three wins in nine matches with Ireland was very poor, but one school of thought suggests he has been made a scapegoat.

■ France signalled their intention to return to their free-flowing style with the appointment of the former international full-back, Pierre Villepreux, to assist the coach, Jean-Claude Skrela.

SCOTLAND SQUAD *(v Wales at Murrayfield, 18 January):* **Backs:** G Armstrong (Newcastle), C Chalmers (Melrose), R Eriksson (London Scottish), S Hastings (Watsonians), K Logan (Stirling Co), B Redpath (Melrose), R Shepherd (Melrose), A Stanger (Hawick), D Stark (Melrose), G Townsend (Northampton). **Forwards:** G Ellis (Currie), D Hilton (Bath), K McKenzie (Stirling Co), S Munro (GHK), A Reed (Wasps), T Smith (Watsonians), M Stewart (Northampton), R Wainwright (Watsonians), M Wallace (GHK), P Walton (Newcastle), G Weir (Newcastle).

TODAY'S NUMBER

13

The number of successive doubles that Steve Beaton, the defending champion, missed while still managing to beat Geoff Wylie 3-0 in the second round of the Embassy World Darts Championships at Frimley Green.

SPORTING DIGEST

Basketball

NBA: Toronto 80 LA Clippers 87; Atlanta 105 Phoenix 103 (ot); Detroit 76 Milwaukee 86; Indiana 95 Cleveland 90; New Jersey 90 San Antonio 85; New York 102 Dallas 72; Orlando 109 Toronto 74; New York 102 Dallas 72; Orlando 109 Philadelphia 88; *Minnesota 95* Houston 104; Seattle 94 Miami 85; Sacramento 96 Denver 109.

Boxing

Joe Bugner, the 46-year-old former European, Commonwealth and British champion, has announced he is relinquishing his Australian heavyweight title and will retire for good if he cannot arrange a bout with George Foreman.

Cricket

THIRD ONE-DAY UNDER-19 INTERNATIONAL (60 overs): Pakistan 235 for 8 (Ahmar Saeed 63, Farhan Adil 66); England 231 for 7 (D Nash 76, J Graham 51). Pakistan won by 2 wickets.

Football

The Crystal Palace goalkeeper, Chris Day, has signed a new three-year contract with the First Division club.

Rangers and Liverpool will go to the Netherlands on 26 and 27 January for a four-team six-a-side tournament involving Ajax and Milan. The two day competition will take place in the Amsterdam Arena and is a 50,000 sell-out.

TENNENTS SCOTTISH CUP Second round: Postponed: Brechin v Livingston (playing 13 Jan). **PRESS & JOURNAL HIGHLAND LEAGUE:** Postponed: Elgin v Huntly.

GM VAUXHALL CONFERENCE: *All matches postponed.*

UNIBOND LEAGUE: *All matches postponed.*

WELSH CUP: *All ties postponed.*

AVON INSURANCE COMBINATION First Division: Charlton 1 Bristol Rovers 2. *Other matches postponed.*

NATIONWIDE FOOTBALL LEAGUE Third Division: Additional fixture: Tue 14 Jan: Chester v Rochdale.

TRANSFERS: Moises Garcia Leon (forward) Laganes (Sp) to Sheffield Wednesday (£100,000); Steve Howe (forward) Nottingham Forest to Ipswich (loan); Trevor Wood (goalkeeper) Walsall to Hereford (free).

AUTO WINDSCREENS SHIELD Area quarter-final draws **Northern Section:** York or Preston v Carlisle or Hull; Bury or Mansfield v Burnley or Stockport; Wrexham or Crewe v Blackpool or Lincoln; Shrewsbury or Wigan v Scunthorpe or Notts County. **Southern Section:** Plymouth or Brighton v Northampton or Luton; Brentford v Colchester; Watford v Swansea or Wycombe or Bristol City; Cardiff or Exeter v Peterborough or Walsall. *Ties to be played the week commencing 27th January 1997*

Hockey

FOUR-NATIONS TOURNAMENT (Kuala Lumpur): S Korea 5 Switzerland 0; Malaysia 9 Belgium 5.

Ice hockey

NHL: NY Islanders 3 Pittsburgh 5; Philadelphia 7 Boston 3; St Louis 2 Edmonton 5; Calgary 4 Toronto 3; Los Angeles 6 Vancouver 2; *San Jose 1 Buffalo 1* (ot).

Pools dividends

LITTLEWOODS: Treble chance game of two halves: 24pts one prize £5,491,841.80, 23 15 prizes £5,849.35, 22 318 prizes £249.75, 21 2,873 prizes £46.80. Half-time: 24pts 105 prizes £1,380.45. Dividends for matches played 4 Jan: Treble chance game of two halves: 24pts 34 prizes £32,565.85, 23 214 prizes £529.10, 22 3,075 prizes £32.05, 21 16,768 prizes £9.95. Four draws: 115 prizes £26.90, 10 home: 399 prizes of £12.15, five aways 755 prizes £9. Half-time: 24pts max 18 prizes £13,274.35.

ZETTERS: Treble chance: 24pts £10,248.75, 23 £59.40, 22 £3.50, 21 £0.70. Four draw: £26.80. Eight homes £2.00. Four aways £11.00. Super 7 £825.00. First eight (no max 18, 15 or 14pts): 13 £54.65, 12 £0.70, 11 £0.55. Lucky numbers 11 8 20 3 15 38.

VERNONS: Treble Chance: 24pts £17,085.60, 23 £230.45, 22 £28.45. Super Shots £206.60. Premier 10 (paid on 8 correct) £21.95.

Rallying

DAKAAR RALLY Fifth stage (415km, timtuktoo to Gao): Cars: 1 J-P Fontenay (Fr) Mitsubishi 3hr 42min 40sec; 2 K Shinozuka (Japan) Mitsubishi +49sec; 3 B Saby (Fr) Mitsubishi 1:41; 4 J-L Schlesser (Fr) Buggy 2:59; 5 I Reinschmidt (Ger) Buggy 15:50; 6 H Masuoka (Japan) Mitsubishi 16:45; 7 M Trasdo (It) Nissan 31:55; 8 S Serva (Sp) Nissan 33:53; 9 J-P Strugo (Fr) Mitsubishi 34:20; 10 G Vismara (It) Scania/yong 41:45. Overall placings: 1 Saby 23hr 58min 12sec; 2 Shinozuka +9sec; 3 Fontenay 58; 4 Schlesser 15:21; 5 Masuoka 1:06:04; 6 Serva 2:20:54; 7 Strugo 2:53:23; 8 Trasdo 2:58:25; 9 Reinschmidt 3:21:50; 10 P Sirivatanakun (Tha) Mitsubishi 3:52:59. Motorcycles: 1 T Magnaldi (Fr) KTM 4hr 10min 6sec; 2 G Jimmink (Neth) KTM +10:47; 3 S Peterhansel (Fr) Yamaha 11:58; 4 D Gallardo (Sp) Cagiva 13:19; 5 D Castera (Fr) Yamaha 17:56; 6 J Arcarons (Sp) KTM 18:01; 7 I Lewis (US) KTM 18:16; 8 D von Szlavenz (Aut) KTM 24:16; 9 N Schacher (Ger) KTM 26:26; 10 P Marques (Por) KTM 26:56. Overall placings: 1 Peterhansel 24hr 49min 58sec; 2 Arcarons +1:10:30; 3 Gallardo 1:58:45; 4 Jimmink 2:00:58; 5 Lewis 2:07:56; 6 Castera 2:09:03; 7 Von Zitzewitz 2:33:11; 8 Maletti 3:06:32; 9 J L Sieun (Sp) Cagiva 3:17:04; 10 J Mayer (Ger) KTM 3:28:39.

Rugby Union

ENGLAND A TRAINING SQUAD: Full-backs: C Catling (Glouc), J Mallinder (Sale). Wings: D Luger (Harlequins), R Rees (Sale), S Bromley (Harlequins), H Thorneycroft (Northampton), B Johnson (Army and Newbury). Centres: N Greenstock (Wasps), M Allen (Northampton), A Blythe (Newcastle), P Mensah (Harlequins). Stand-offs: M Mapletoft (Glouc), R Liley (Leicester), P Challinor (Harlequins). Scrum halfs: A Healey (Leicester), S Benton (Gloucester), N Walshe (Harlequins). Props: N Holland (Northampton), K Yates (Bath), D Mallett (Wasps), J Mallett (Bath), V Ubogu (Bath), W Green (Wasps). Hookers: R Cockerill (Leic), D West (Leic), G French (Bath), S Diamond (Sale). Locks: C Murphy (West Hartlepool), D Sims (Glouc), R Fidler (Glouc), J Fowler (Dale), R West (Richmond), D Grewcock (Coventry). Back row: S Ojomoh (Bath), R Jenkins (Harlequins), A Diprose (Saracens), G Allison (Harlequins), M Corry (Bristol), P Anglesey (Orrell).

Skiing

Luc Alphand, of France, the downhill World Cup leader, confirmed he would be the favourite to win Saturday's men's downhill on home snow in Chamonix when he clocked the fastest time of the race's first practice yesterday with 1min 49.42sec.

Squash

Jansher Khan, the world No 1 from Pakistan, has been fined £1,000 and suspended for one month by the Professional Squash Association as a result of his late withdrawal from last month's Mahindra International Challenge in Bombay. He also incurred a zero score for this final event of the 1996 Super Series.

Swimming

WORLD CUP SHORT-COURSE MEETING (Palding) Selected: Men's 400m freestyle: 1 Xiong Guoming (China) 3.49.81; 2 I Wilson (GB) 3.49.96; 3 Ding Qingsong (China) 3.51.41.

Table tennis

ENGLISH OPEN (Kettering) Men's singles round-robin qualifying: A Eden (Eng) bt T Janssens (Bel) 21-18 21-13 21-9; S Mazzanti (Bel) bt T Young (Eng) 21-18 14-21 20-22 21-19 22-20; K Jindrak (Aut) bt A Perry (Eng) 22-20 21-15 21-19; D Blake (Eng) bt O Cimen (Tur) 21-18 12-21 21-15 21-12; Y Morimoto (Japan) bt J Taylor (Eng) 21-18 22-20 18-21 17-21 21-18; Eden bt C Robertson (Sco) 21-6 21-13 21-12; L Heinzner (Ger) bt B Billington (Eng) 21-23 21-19 14-21 21-18 21-10; Blake bt J Kahn (Neth) 22-20 21-19 20-22 21-15

Tennis

SYDNEY INTERNATIONAL (White City) Men's singles, second round: P Rafter (Aus) bt P Haarhuis (Neth) 6-7 7-5 7-6; B Black (Zim) bt T Woodbridge (Aus) w/o; A Costa (Sp) bt B Ulihrach (Cz Rep) 6-2 6-2; C Moya (Sp) bt G Stafford (SA) 6-2 6-3; A O'Brien (US) bt M Tillstrom (Swe) 6-4 6-7 6-4; S Stolle (Aus) bt A Voinea (Rom) 6-2 6-1; G Ivanisevic (Croa) bt J Sanchez (Sp) 6-4 0-6 6-4; T Henman (GB) bt S Bruguera (Sp) 3-6 6-3 6-3. **Women's singles, first round:** J Capriati (US) bt R Simpson (Can) 6-3 6-2. **Second round:** MJ Fernandez (US) bt K Po (US) 6-2 6-4; L Davenport (US) bt L Raymond (US) 6-3 6-4; N Sawamatsu (Japan) bt R McQuillan (Aus) 7-5 6-3.

TASMANIAN WOMEN'S INTERNATIONAL (Hobart) Third round: A Ellwood (Aus) bt S Drake-Brockman (Aus) 6-2 6-4; S Wang (Tai) bt M Grzybowska (Pol) 6-1 6-3; E Callens (Bel) bt E Likhovtseva (Rus) 1-6 7-6 0-2 ret; M Endo (Japan) bt A Miller (US) 6-3 7-6.

NEW ZEALAND OPEN (Auckland) Men's singles, second round: K Carlsen (Den) bt A Berasategui (Sp) 6-3 6-3; H Gumy (Arg) bt N Kulti (Swe) 6-3 6-1; J Novak (Cz Rep) bt C Mamiit (US) 6-4 6-2; A Radulescu (Ger) bt T Johansson (Swe) 7-6 (7-5) 6-4.

COLONIAL CLASSIC EXHIBITION TOURNAMENT (Kooyong, Melbourne) Men's singles, first round: P Sampras (US) bt M Stich (Ger) 6-4 7-5; B Becker (Ger) bt A Medvedev (Ukr) 7-6 6-1; M Chang (US) bt T Enqvist (Swe) 7-5 6-4; Y Kafelnikov (Rus) bt J Courier (US) 7-6 6-4.

TODAY'S FIXTURES

Football

PONTINS LEAGUE Premier Division: Bolton v Derby (7.0). **Second Division:** Stockport v York (6.45).

AVON INSURANCE COMBINATION League Cup: Cardiff City v Bristol City (2.0).

JEWSON WESSEX LEAGUE CUP Quarter-final first leg: Winchurch v Bournemouth FC (7.30).

Other sports

DARTS: Embassy World Championship (Frimley Green, Surrey).

HOCKEY: Four-nations indoor tournament (Dundee and Edinburgh).

TABLE TENNIS: English Open (Kettering).

Henman's fightback
British No 1 beats former French Open champion, page 23

sport

Rowell remains at helm
England's rugby union coach standing firm, page 23

Dalglish favourite to take over after Keegan quits Newcastle

Football
TOMMY STANIFORTH

Kevin Keegan left Tyneside in a state of shock yesterday when he walked out on Newcastle United – and maybe away from football for ever.

The sight of weeping Magpies fans standing in disbelief outside St James' Park was testament to the impact "Wor Kev" has had in his five years at the club. And as they attempted to come to terms with what many considered their worst nightmare come true, the two questions on their lips were simple: "Why?" and "Who is next?"

Rumours of Keegan's imminent departure had been spreading across the North-east since the collapse of Newcastle's title dream in the summer. After the final game of last season against Spurs, Keegan had dismissed his team as "absolute garbage", publicly promising: "I will be here next year."

Probed on Sunday about that morning's reports that he had offered to quit again after the Boxing Day defeat at Blackburn, Keegan abruptly turned tail and left the Charlton press room, indignation written all over his face. Yet yesterday he effectively admitted that the stories had been true, that he had wanted out. "It was my decision and my decision alone," the 45-year-old former Liverpool, Hamburg, Southampton and England striker said.

"I offered my resignation at the end of last season but was persuaded by the board to stay. I feel I have taken the club as far as I can and that it would be in the best interests of all concerned if I resigned."

To be fair to Keegan, he had always said that he would go at that stage, when he did not believe he could move things on, but the cold truth is that he has spent £60m without needing to buy a single can of silver polish with the spare change. It is that massive outlay for no perceptible reward that lies at the heart of his resignation.

Sir John Hall masked his disappointment last summer by suggesting that this season was really when he expected to see the championship back at St James' for the first time since 1927, and then went out and spent another £15m on Alan Shearer, effectively to ensure it.

But Keegan, maintaining that nothing would alter his philosophy – "we'll carry on playing this way or I'll go" – did not admit until too late that he needed to find the defensive underpinning for his team, now fourth in the Premiership and in the last eight of the Uefa Cup.

Insiders suggest that Keegan's request for yet more money brought the first rejection from Sir John, and that the manager, growing increasingly thin-skinned to criticism, took umbrage. Other rumours indicate that Sir John had decided to make a change next season, that Keegan had got wind of it, and that he decided enough was enough.

Whether true or not, Keegan's demeanour grew increasingly dour as this season went on, the Blackburn defeat leaving him at his lowest ebb, with a furious outburst directed at his players in the privacy of the dressing-room. Those players had always appreciated his honest, infectious love of the game and the club he had finished his playing days at before being tempted back as Osvaldo Ardiles' replacement in 1992.

Yesterday they were – under orders – keeping their opinions to themselves, although the sense of incredulity at the club's Maiden Castle training ground was palpable.

With Sir John out of the country it was left to his son Douglas, a club director, to give the official response. He said: "Kevin took over at the helm of a club destined for the Second Division and scaled the heights of the Premier League with a style of football never before seen at St James' Park.

"Kevin leaves the club in a far stronger position than when he arrived and the squad of players he has built up is one of the strongest in Europe.

"The club wish to place on record their sincere appreciation of all Kevin has done for the club over the last five years."

Keegan's assistant, Terry McDermott, and the coach, Arthur Cox, assumed temporary control at training, with the defensive co-ordinator Mark Lawrenson continuing in his role. At a hastily arranged news conference at St James', McDermott, describing himself as "shocked and stunned", promised: "Kevin will never be forgotten. I have known about this since Monday evening but I am still in a state of shock to be honest.

"I hope now that the media will give him a bit of breathing space. He has had a load on his shoulders and deserves some time to be alone. Kevin Keegan is his own man."

McDermott said the players had been "devastated" and added that Keegan had talked him out of quitting too.

"Usually in a situation like this the No 2 goes as well and it was my intention to leave but I was persuaded to stay on by Kevin. He has been a major influence on me," McDermott added. "We are so close to winning something but Kevin knows when it is time to go and I respect his views. He is the most caring person I have met, but he is also a family man and he has his reasons for leaving.

"Should we win a trophy we will dedicate it to Kevin Keegan because of the work he has done in the past five years for the club and the town." The two caretakers will be in charge for Saturday's trip to Aston Villa, although it seems equally likely that Sir John will be looking for a man of sufficient stature to fill Keegan's boots.

Kenny Dalglish was the first name to be favoured by the bookies, although whether the man who succeeded Keegan into the No 7 shirt at Liverpool would want to follow him into the St James' dug-out – taking on the pressures once more – is open to question. However, it is believed that he has had talks with Newcastle.

Keegan's old Liverpool striker partner John Toshack, who may on his way from Spain's Deportivo La Coruña, is another possibility. Other names – the likes of Roy Hodgson, Jack Charlton and Johan Cruyff – seem less likely. Aston Villa's Brian Little is attracting a lot of support at the bookies, though he has ruled himself out.

Hero of our Toon, page 22

Adoring Newcastle fans show their colours at St James' Park after yesterday's resignation by Kevin Keegan Photograph: David Hewitson/Empics

Shocked reactions to the news from Tyneside

'My gut feeling is that he probably won't get back into football again.'
Terry McDermott, Keegan's No 2 and now caretaker manager.

'It's taken me three years to get used to calling her Keegan and now he goes and resigns!'
Tracy Cook, mother of Keegan Emily Cook, aged three.

'He is such a good role model for the children, I can hardly speak I am so disappointed.'
Nun Sister Josepha, head of a Newcastle primary school which has written the club into every school play for the last 20 years and Kevin Keegan into its hymns.

'How can he leave us? He is God around here – he is even bigger than God. He is the life of Newcastle.'
Victoria Rickaby, aged 16.

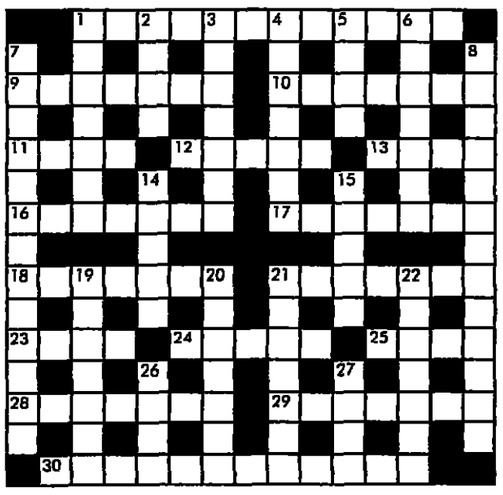
'I'm not as shocked as I was on the day he sold Andy Cole to Manchester United.'
Chris Donald, creator of the famous Geordie-based *Viz* comic.

'This is a black day for Newcastle. I hope he will reconsider and that those who have criticised him will also reconsider. He has very many more supporters than detractors.'
Councillor Les Russell, Lord Mayor of Newcastle.

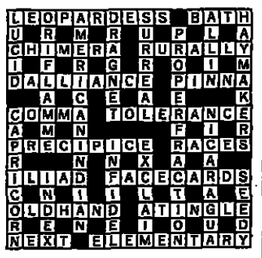
'I'm not going to make any comment.'
Alan Shearer, Keegan's most expensive signing at £15m.

THE INDEPENDENT CROSSWORD

No 3191. Thursday 9 January — By Spurius



Wednesday's solution



ACROSS
1 The right way to approach courses (5, 7)
9 Run made more easily carrying no weapons (7)
10 Yoghurt's initially skimmed, then turned into containers (7)
11 Second judge removed? it's doubtful (4)
12 Make copy of translation by expert (5)
13 Inveterate smoker with high standing in Sicily (4)
16 Cunning method whereby we get to London tube station (7)
17 Stage where most of set pieces are no longer seen? (7)
18 Leather is macho, somehow (7)
21 Flanders author almost about to perform effectively? (2, 5)
23 Primate goes around south end of church (4)
24 Reverse section of template made of copper, say (5)
25 Excessive amount pupil's taken into stomach (4)
28 Criticise reduction in business operation (7)
29 Offensive individual catching science graduate with end of pole (7)
30 Transmission designed to give good mpg? (7, 5)

DOWN
1 Trade or craft, if requiring special training (7)
2 Avuncular type going around Malta makes a lot of money (4)
3 Rather old shrub left on display at the very end (7)
4 Teletext? (7)
5 New Age element (4)
6 It's great, milling around at race meeting (7)
7 Party exercise by which one is left standing? (7, 6)
8 No VAT when such wine's sold? (6-7)
14 Spanish court's caught by sudden onslaught (5)
15 Improve central part of Thaxted if you can (5)
19 As used by poisoners (7)
20 Problem about seabird's bone (7)
21 Card of high value (7)
22 Typically, University member's received by old king (7)
26 Swindle involving one's money (4)
27 Sparkling beverage bottled in Castile (4)

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Geordies grieve the last act of 'messiah'

SIMON TURNBULL

"People are saying it's like the Queen dying, but I think it's worse." To the outside world it must all seem so very sad, as in pathetic, but John Regan, secretary of the Independent Newcastle United Supporters' club, summed up the peculiar place the club occupy in the scheme of things on Tyneside.

Where else would 20,000 people stand in a car park in the rain for three hours just to catch sight of someone standing on a balcony in a football shirt?

It happened at St James' Park on a Tuesday afternoon last August for Alan Shearer. It happened because Newcastle United have deposited nothing of worth in their trophy cabinet since the year man was not so much over the moon as upon it for the first time. Their quest for honours has become something of a holy grail. And for four years and 11 months Kevin Keegan was the messiah who promised to deliver.

The day of his first match as manager, a 3-0 home win against Bristol City in 1992, an exiled Geordie named Brian was the first caller on Radio Five's Saturday night football phone-in show. "I was lying in bed on Thursday night," he began, "and I said to me me missus, 'I've got to go.' She says, 'Well, go then.' I said, 'Not the toilet. I've got to go to Newcastle'... I live in Bournemouth you see."

The worry among the faithful gathered outside St James' Park was how Newcastle could carry on without him. Mark Jensen, editor of the fanzine *The Mag*, spoke for the masses when he said: "I'm stunned that it's happened, especially in the middle of the season."

Sympathy for Keegan was everywhere. "The manager's job has never been more difficult," the Tottenham manager, Gerry Francis, said. "There is too much pressure on people like him."

Ray Wilkins, the former England midfielder, was shocked and sad "because football needs people like Kevin Keegan.

"He is very emotional and passionate. That's the way he is and that's the way he wants to see his teams to play. He has high principles and has stuck to them."

Brendan Foster, the former Olympic 10,000 metres bronze medallist and Newcastle fan, said: "Nobody's ever done more for Newcastle United than Kevin Keegan. Thank you Kevin."

Resignation rocks flotation

PATRICK TOOHER

Newcastle United are pressing ahead with plans for a stock market flotation before Easter, despite Kevin Keegan's shock resignation and the damaging impact his departure is bound to have on sentiment among potential investors.

"This doesn't affect the flotation in the slightest," insisted a spokesman for the club. Analysts expect Newcastle to be valued at up to £200m, with the money from the flotation helping to pay for a new stadium.

The decision by Keegan to quit only highlights the risks of investing in football clubs. In particular, it illustrates how dependent even top teams are on one or two inspirational figures.

"This won't do the flotation much good," Keith Harris, of investment bank HSBC James Capel, said. "If Alex Ferguson were to resign as manager of Manchester United, its share price would take a whacking great hit."

Indeed, the timing of Keegan's sudden departure may even be linked to Stock Exchange rules governing information that must be made available to prospective shareholders.

Neal Ostrer, of Marathon Asset Management, a leading institutional investor in football clubs, said: "It would be completely unacceptable to float a club when such a high-profile individual as Kevin Keegan had handed in his resignation and the prospectus failed to mention it."